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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 October 2018 Senior Loan Officer Opinion Survey on Bank Lending Practices.

Enclosures:

October 2018 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 October 2018 Senior Loan Officer Opinion Survey on Bank Lending Practices

The October 2018 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, which generally corresponds to the third quarter of 2018.[1]

Regarding loans to business borrowers, banks indicated that they eased their standards and terms for commercial and industrial (C&I) loans while experiencing weaker demand for such loans on balance.[2] At the same time, banks reportedly left their standards unchanged on most categories of commercial real estate (CRE) loans, while demand reportedly weakened for most categories of such loans.

For loans to households, banks reported easing their standards on most categories of residential real estate (RRE) loans while experiencing weaker demand for such loans on balance. In contrast, banks reportedly left their standards on auto and credit card loans about unchanged, while demand for such loans also remained unchanged. To better understand how consumer lending standards have been changing conditional on borrower credit quality, this survey also included a set of special questions asking banks to assess the likelihood of approving credit card and auto loan applications by borrower FICO score in comparison with the beginning of the year. Banks reported they were less likely to approve such consumer loans for borrowers with FICO scores of 620 in comparison with the beginning of the year, while they were more likely to approve such consumer loans for borrowers with FICO scores of 720 over this same period.

In addition, the survey included two sets of special questions inquiring about the effect of the slope of the yield curve on lending policies. Banks were first asked how their lending policies have changed in response to the flattening of the yield curve since the beginning of this year. Banks generally indicated that the change in the slope of the yield curve so far this year had not affected their standards or price terms across the major loan categories. In contrast, when asked

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[1] Responses were received from 70 domestic banks and 22 U.S. branches and agencies of foreign banks. Respondent banks received the survey on October 1, 2018, and responses were due by October 12, 2018. Unless otherwise indicated, this summary refers to the responses of domestic banks.

[2] For questions that ask about lending standards or terms, "net fraction" (or "net percentage") refers to the fraction of banks that reported having tightened ("tightened considerably" or "tightened somewhat") minus the fraction of banks that reported having eased ("eased considerably" or "eased somewhat"). For questions that ask about loan demand, this term refers to 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"). For this summary, when standards, terms, or demand are said to have "remained unchanged," the net percentage of respondent banks that reported either tightening or easing of standards or terms, or stronger or weaker demand, is greater than or equal to 0 and less than or equal to 5 percent; "modest" refers to net percentages greater than 5 and less than or equal to 10 percent; "moderate" refers to net percentages greater than 10 and less than or equal to 20 percent; "significant" refers to net percentages greater than 20 and less than 50 percent; and "major" refers to net percentages greater than or equal to 50 percent.

to assess their potential response to a prolonged hypothetical moderate inversion of the yield curve, banks responded that they would tighten standards or price terms across every major loan category if the yield curve were to invert, a scenario that they interpreted as a signal of a deterioration in economic conditions.

Lending to Businesses

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

Questions on commercial and industrial lending. A moderate net fraction of domestic banks reportedly eased standards on loans to large and middle-market firms, while banks reportedly left their standards on loans to small firms unchanged on balance.[3] Over the third quarter, banks also reportedly eased a number of terms on C&I loans, with significant net fractions of banks reportedly narrowing loan rate spreads on C&I loans to firms of all sizes. A significant net fraction of banks also reportedly eased loan covenants to large and middle-market firms. Meanwhile, foreign banks reportedly left their standards and most of their terms for C&I loans unchanged over the third quarter on balance.

All domestic banks that reportedly eased standards or terms on C&I loans over the past three months cited increased competition from other lenders as an important reason for banks' easing their standards or terms. In addition, significant net fractions of banks indicated that a more favorable or less uncertain economic outlook and an increased tolerance for risk were important reasons for banks' easing.

Meanwhile, moderate net shares of domestic banks reported weaker demand for C&I loans from firms of all sizes in the third quarter. Foreign banks, however, reported that demand for C&I loans remained unchanged over the third quarter on balance. Major net shares of domestic banks that reported weaker C&I loan demand indicated that increases in customers' internally generated funds, reduced customer investment in plant or equipment, and customers' borrowing having shifted to other lenders were important reasons.

Questions on commercial real estate lending. Over the third quarter, banks reportedly left their standards unchanged on loans secured by nonfarm nonresidential and multifamily properties, on balance, while a modest net share of banks reported tightening their standards on construction and land development loans. Meanwhile, moderate net shares of domestic banks indicated that they experienced weaker demand for construction and land development loans and loans secured by nonfarm nonresidential properties, while banks reported that demand was unchanged for loans secured by multifamily properties on balance.

[3] Large and middle-market firms are defined as firms with annual sales of $50 million or more, and small firms are those with annual sales of less than $50 million.

Lending to Households

(Table 1, questions 13–26)

Questions on residential real estate lending. Banks reported easing their standards on most categories of RRE loans over the third quarter on balance.[4] Specifically, moderate net shares of banks reported easing their standards on government-sponsored enterprise (GSE)-eligible and government residential mortgages, while modest net shares of banks reported easing their standards on non-jumbo non-GSE-eligible mortgages that conform to qualified mortgage (QM) rules and on QM and non-QM jumbo mortgages.[5] Meanwhile, significant or moderate net shares of banks reported weaker demand across all surveyed RRE loan categories.

Questions on consumer lending. Over the third quarter, banks reported little change in their credit standards and most terms across categories of consumer loans on balance. Meanwhile, demand for auto and credit card loans was reportedly unchanged, on balance, while a modest net share of banks reported a strengthening of demand for consumer loans other than auto and credit card loans.

Special Questions on Banks' Credit Card and Auto Lending Standards

(Table 1, questions 27–28)

Banks were asked to assess the likelihood of approving credit card and auto loan applications by borrower FICO score in comparison with the beginning of this year. Significant and moderate net fractions of banks reported that they were less likely to approve credit card and auto loan applications, respectively, from borrowers with FICO scores of 620. Meanwhile, respondents reported that their likelihood of approving an application for a credit card from borrowers with FICO scores of 680 remained unchanged, on net, while modest net fractions of banks reported they were more likely to approve auto loan applications to such borrowers. In addition, moderate net fractions of banks reported they were more likely to approve applications for credit card and auto loans to borrowers with FICO scores of 720.

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[4] The seven categories of residential home-purchase loans that banks are asked to consider are GSE-eligible, government, QM non-jumbo non-GSE-eligible, QM jumbo, non-QM jumbo, non-QM non-jumbo, and subprime. See the survey results tables that follow this summary for a description of each of these loan categories. The definition of a QM was introduced in the 2013 Mortgage Rules under the Truth in Lending Act (12 CFR Part 1026.32, Regulation Z). The standard for a QM excludes mortgages with loan characteristics such as negative amortization, balloon and interest-only payment schedules, terms exceeding 30 years, alt-A or no documentation, and total points and fees that exceed 3 percent of the loan amount. In addition, a QM requires that the monthly debt-to-income ratio of borrowers not exceed 43 percent. For more on the ability to repay and QM standards under Regulation Z, see the Consumer Financial Protection Bureau's website at www.consumerfinance.gov/regulations/ability-to-repay-and-qualified-mortgage-standards-under-the-truth-in-lending-act-regulation-z.

[5] We do not report on subprime loans in this section, as only three lenders in our panel reportedly originate subprime residential mortgages.

Special Questions on Bank Lending Policies and the Yield Curve

(Table 1, questions 29–32; Table 2, questions 9–12)

Banks were asked about the effects of the flattening of the yield curve since the beginning of this year on their lending policies, independent of other factors that have influenced those policies. In response, banks generally indicated that the change in the slope of the yield curve so far this year had not affected their standards or price terms across the major loan categories. However, moderate net shares of banks indicated that they tightened their standards for CRE loans and their price terms for both CRE and RRE loans.

Banks were also asked how their lending policies would potentially change in response to a hypothetical moderate inversion of the yield curve prevailing over the next year.[6] Significant shares of banks indicated that they would tighten their standards or price terms across every major loan category if the yield curve were to invert.

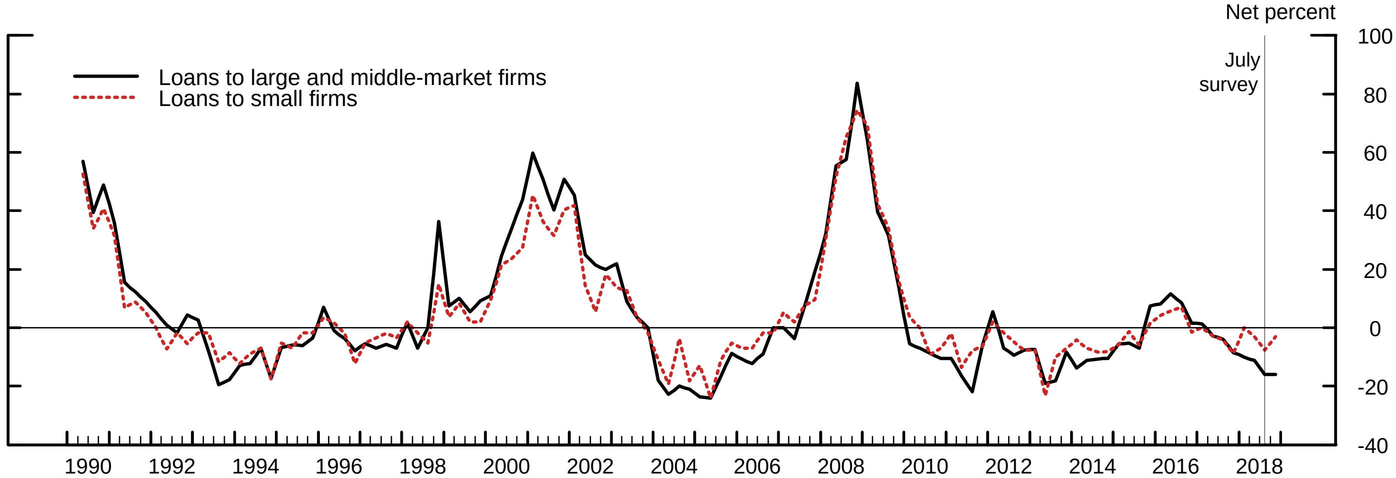
Those banks that indicated they would tighten their lending policies because of an inversion of the yield curve were asked to provide reasons for their response. Major shares of banks indicated that their bank would interpret this scenario as signaling a less favorable or more uncertain economic outlook and as likely being followed by a deterioration in the quality of their existing loan portfolio. In addition, major shares of banks reported lending would become less profitable and their bank's risk tolerance would decrease in this scenario.

This document was prepared by Robert Kurtzman, with the assistance of Jared Berry, Division of Monetary Affairs, Board of Governors of the Federal Reserve System.

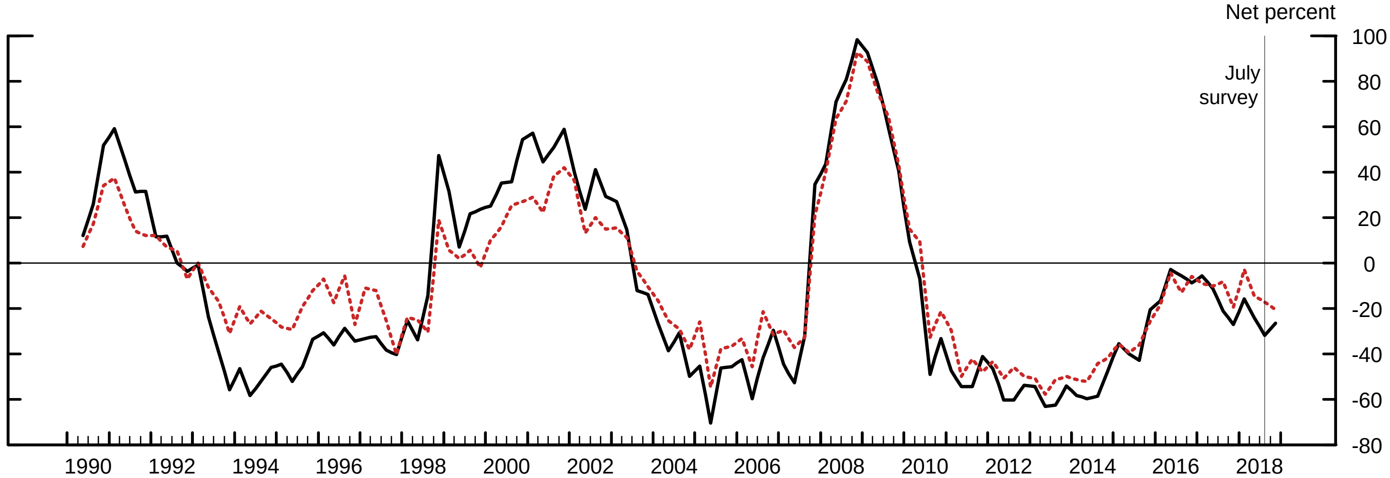
[6] Specifically, banks were asked to assume that the 3-month Treasury bill yield remains at its current level and the 10-year Treasury yield falls moderately below that level, and that this situation prevails over the next year.

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

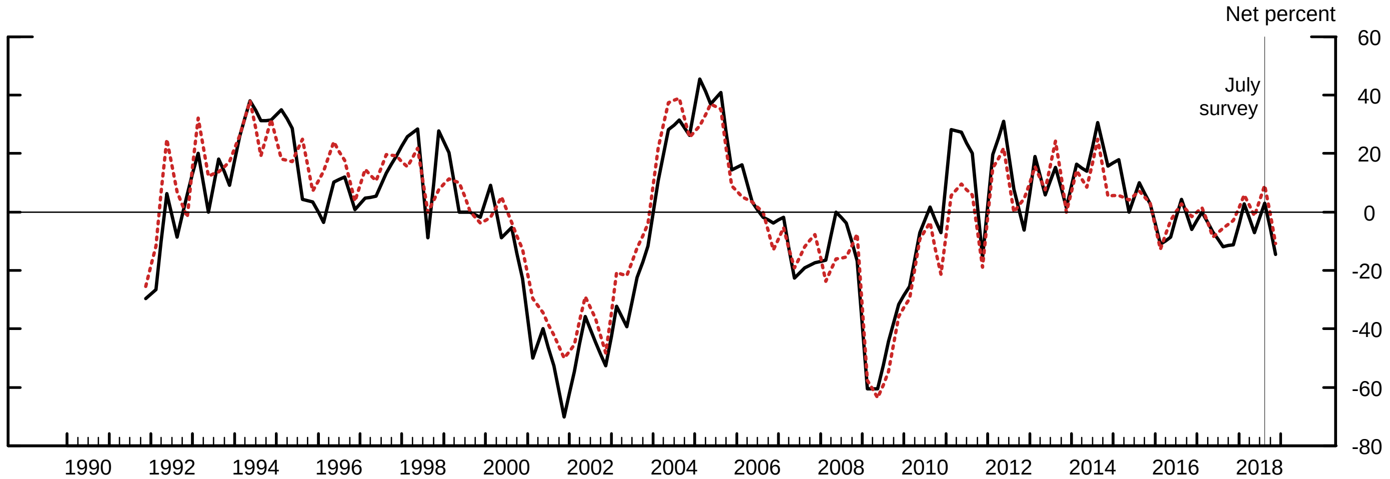
Net Percent of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



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

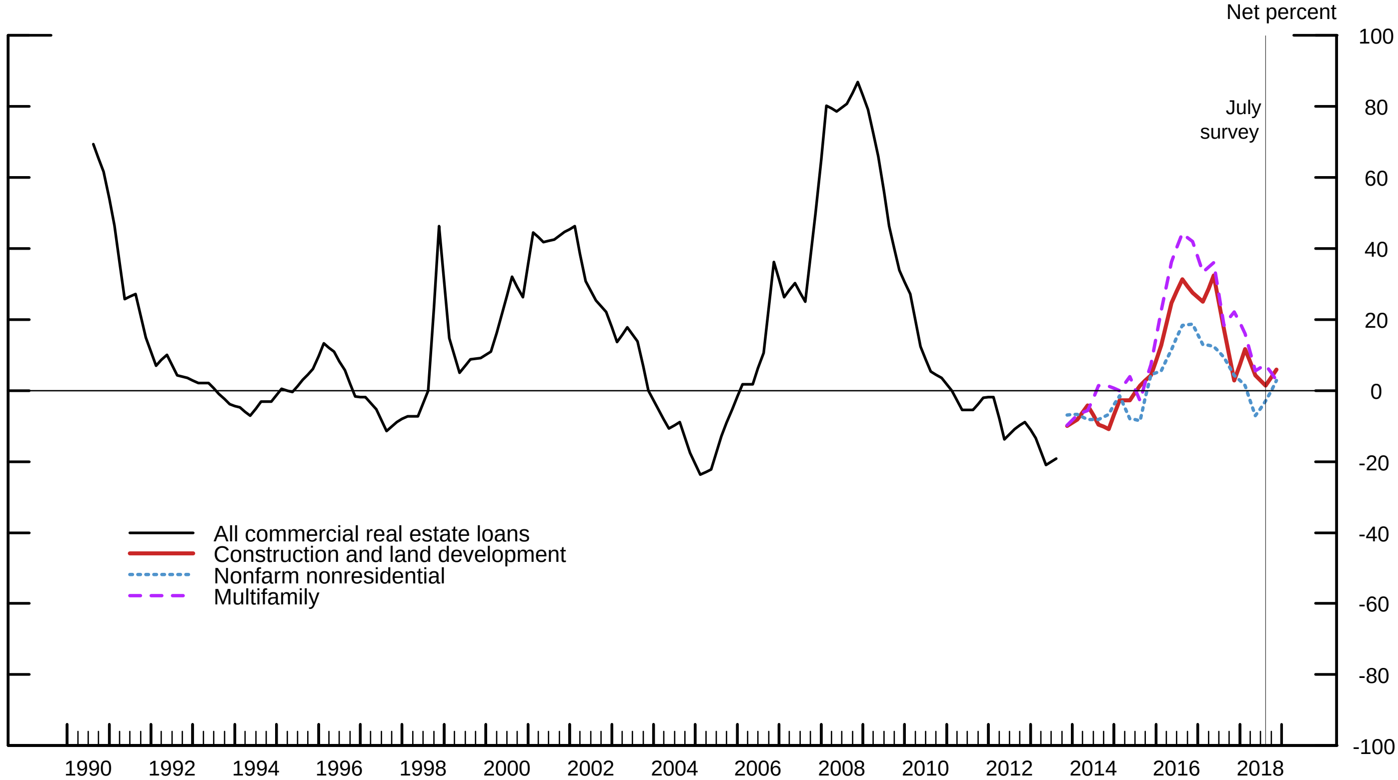


Net Percent of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans

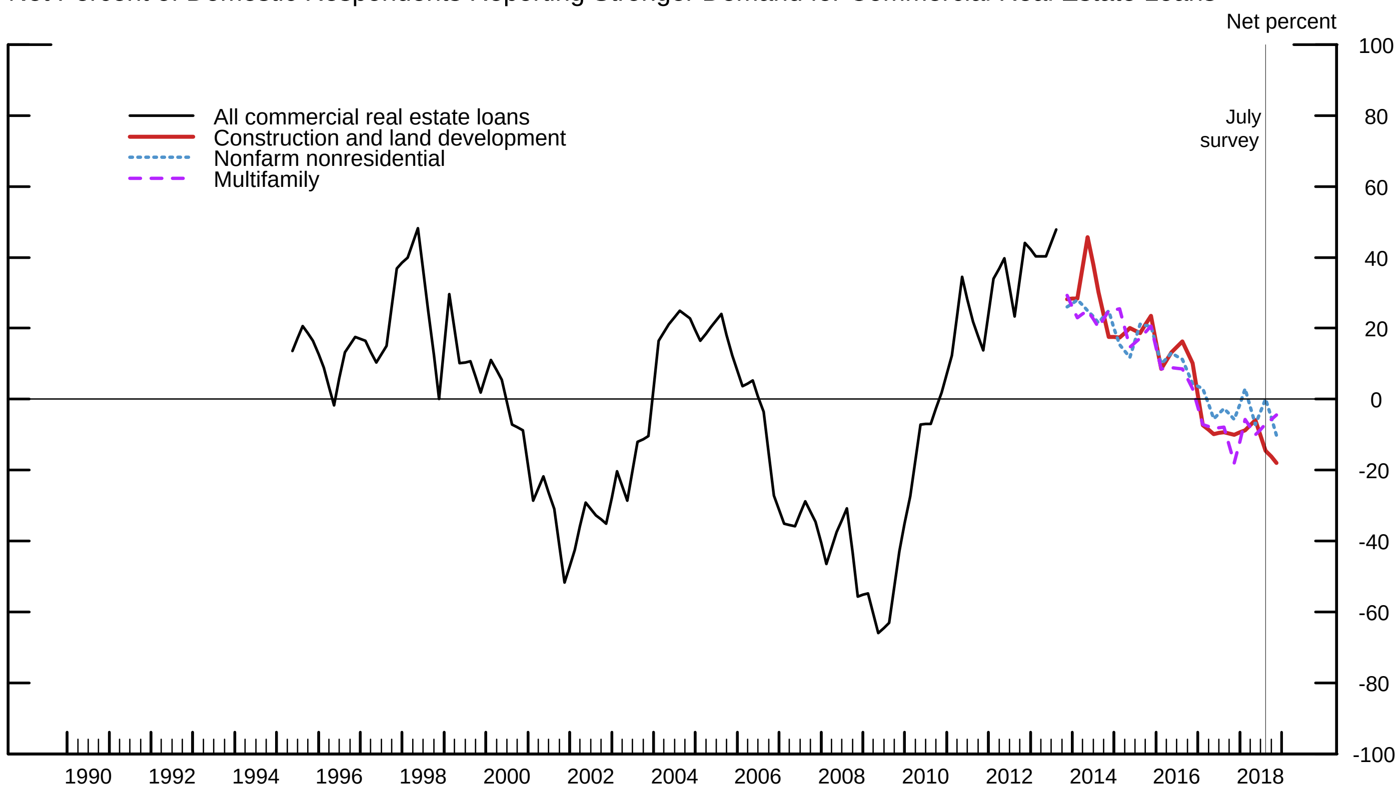


Measures of Supply and Demand for Commercial Real Estate Loans

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



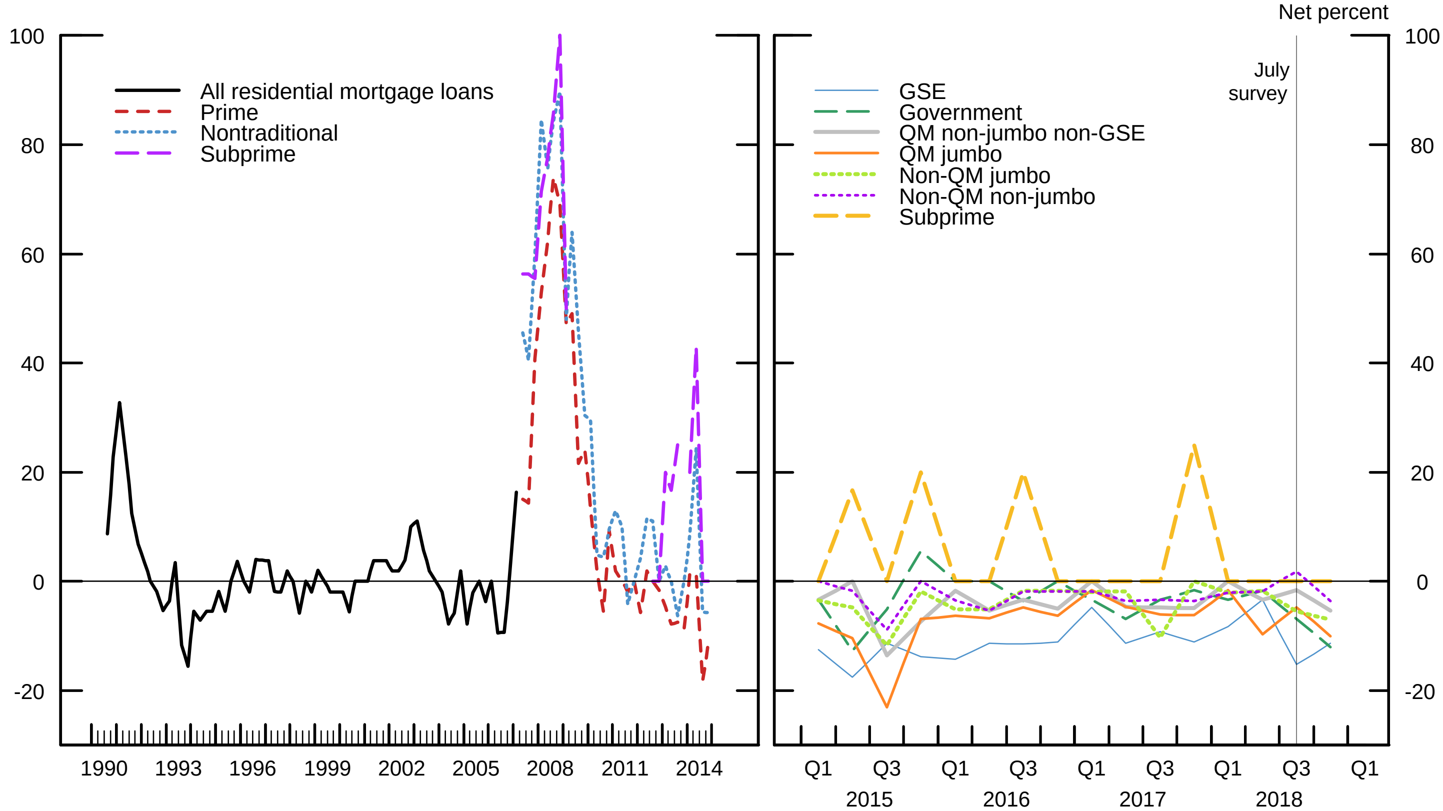
Net Percent of Domestic Respondents Reporting Stronger Demand for Commercial Real Estate Loans



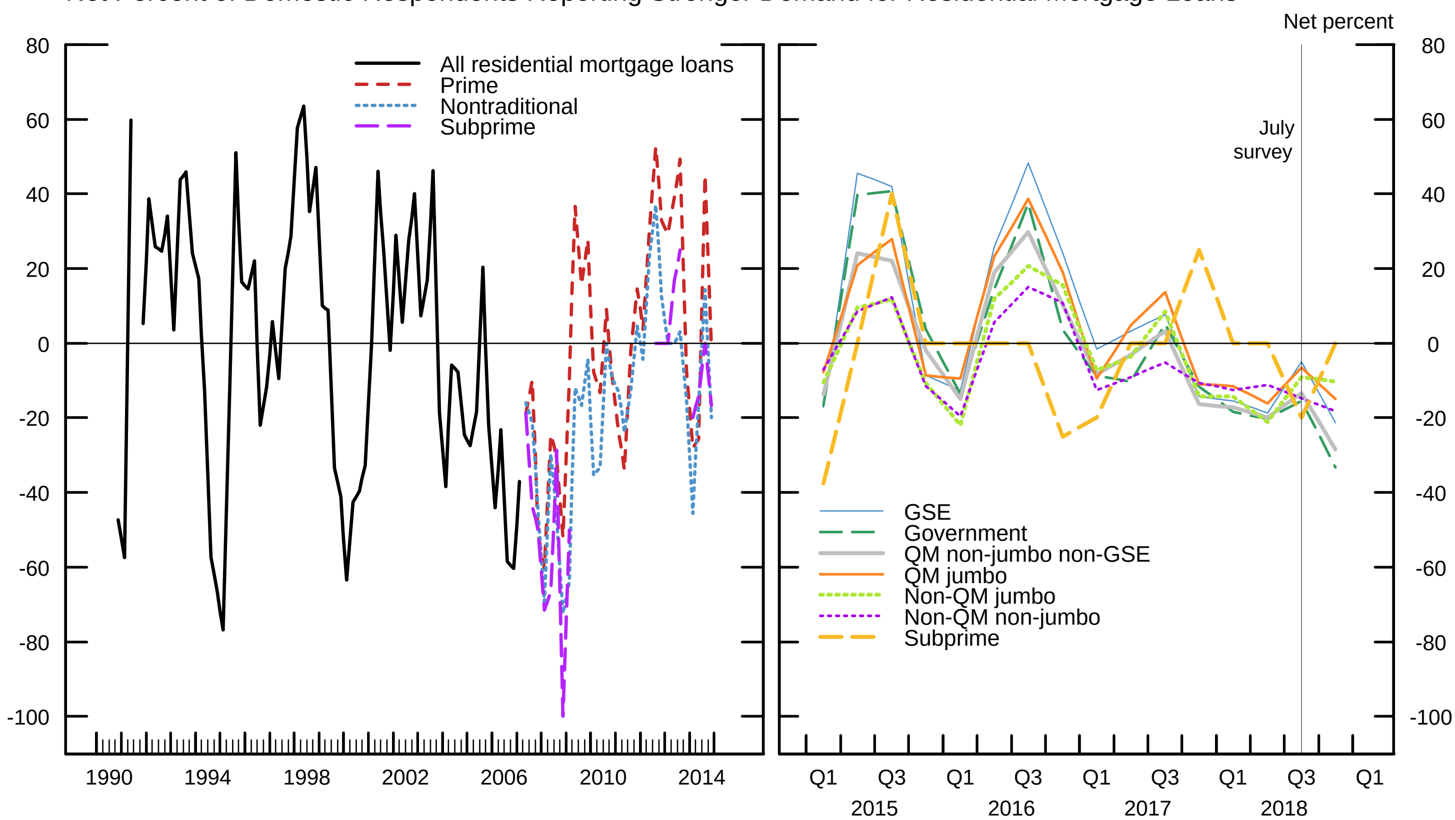
Note: For data starting in 2013:Q4, changes in demand for construction and land development, nonfarm nonresidential, and multifamily loans are reported separately.

Measures of Supply and Demand for Residential Mortgage Loans

Net Percent of Domestic Respondents Tightening Standards for Residential Mortgage Loans



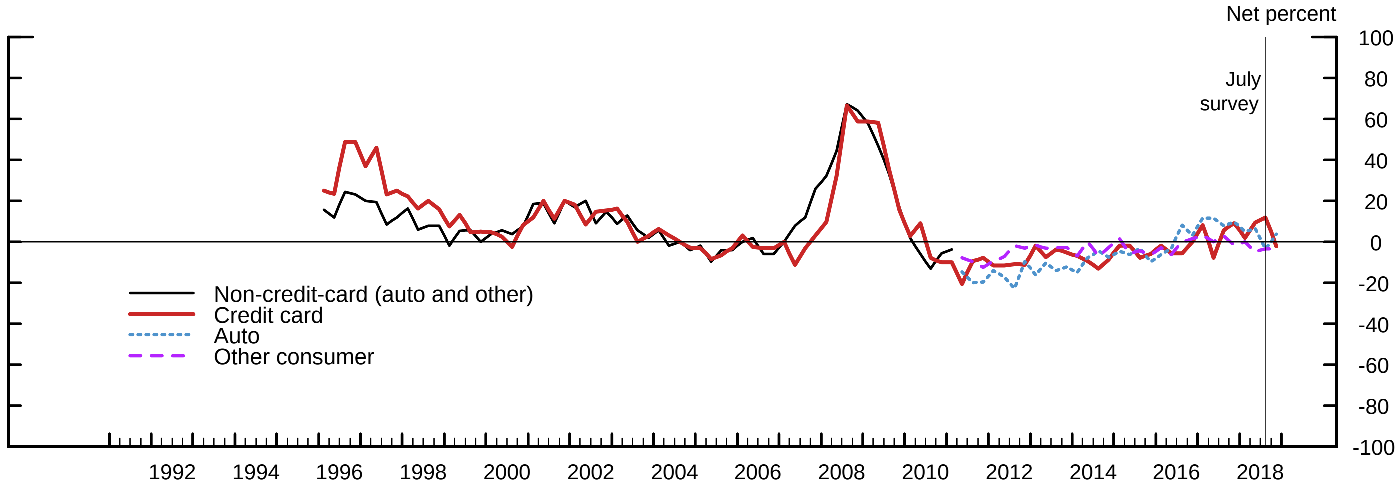
Net Percent of Domestic Respondents Reporting Stronger Demand for Residential Mortgage Loans



Note: For data starting in 2007:Q2, changes in standards and demand for prime, nontraditional, and subprime mortgage loans are reported separately. For data starting in 2015:Q1, changes in standards and demand were expanded into the following seven categories: GSE-eligible; government; QM non-jumbo non-GSE-eligible; QM jumbo; non-QM jumbo; non-QM non-jumbo; and subprime. Series are set to zero when the number of respondents is three or fewer.

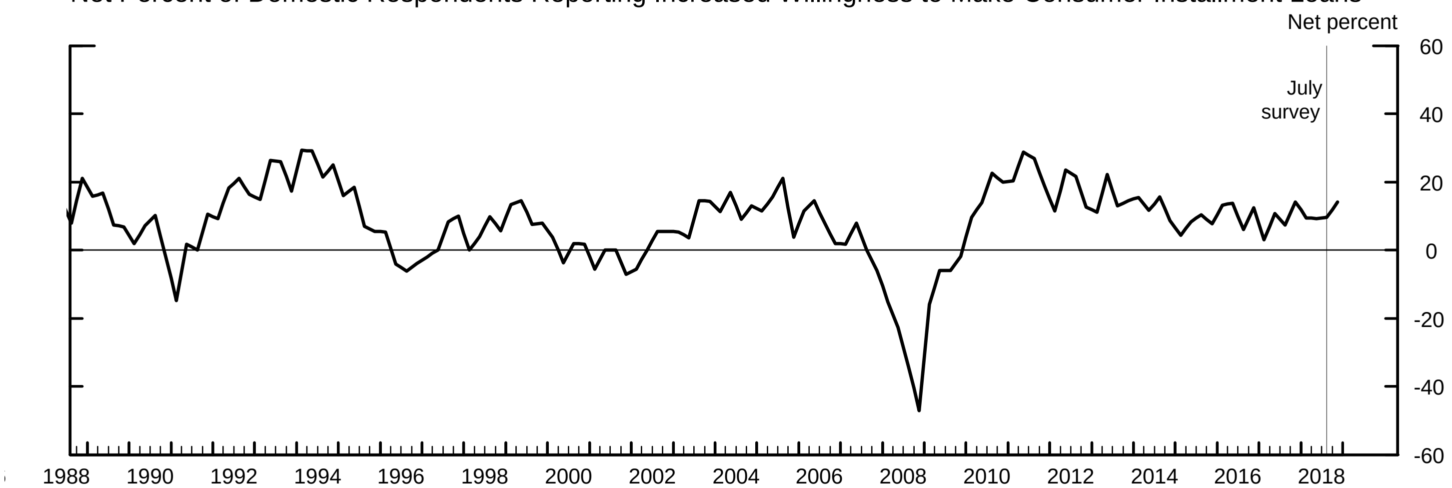
Measures of Supply and Demand for Consumer Loans

Net Percent of Domestic Respondents Tightening Standards for Consumer Loans

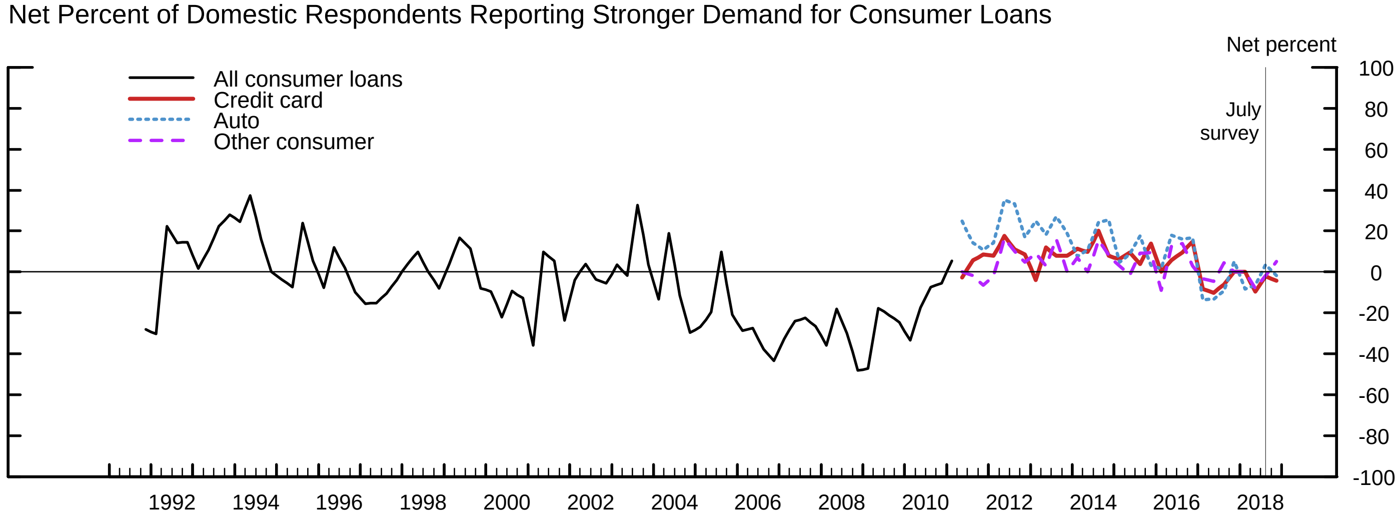


Note: For data starting in 2011:Q2, changes in standards for auto loans and consumer loans excluding credit card and auto loans are reported separately. In 2011:Q2 only, new and used auto loans are reported separately and equally weighted to calculate the auto loans series.

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



Net Percent 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

(Status of Policy as of October 2018)

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	3	4.3	2	4.3	1	4.3
Remained basically unchanged	52	75.4	34	73.9	18	78.3
Eased somewhat	14	20.3	10	21.7	4	17.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	69	100	46	100	23	100

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	1	1.5	1	2.4	0	0.0
Tightened somewhat	4	6.2	1	2.4	3	13.0
Remained basically unchanged	53	81.5	35	83.3	18	78.3
Eased somewhat	7	10.8	5	11.9	2	8.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	65	100	42	100	23	100

For this question, 2 respondents answered "My bank does not originate C&I loans or credit lines to small firms."

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

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

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.5	1	2.2	0	0.0
Remained basically unchanged	54	79.4	32	69.6	22	100.0
Eased somewhat	13	19.1	13	28.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100	46	100	22	100

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.0	1	2.2	1	4.5
Remained basically unchanged	63	94.0	43	95.6	20	90.9
Eased somewhat	2	3.0	1	2.2	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	67	100	45	100	22	100

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.5	1	2.2	0	0.0
Remained basically unchanged	54	80.6	34	75.6	20	90.9
Eased somewhat	10	14.9	9	20.0	1	4.5
Eased considerably	2	3.0	1	2.2	1	4.5
Total	67	100	45	100	22	100

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	8	11.8	3	6.5	5	22.7
Remained basically unchanged	34	50.0	22	47.8	12	54.5
Eased somewhat	25	36.8	21	45.7	4	18.2
Eased considerably	1	1.5	0	0.0	1	4.5
Total	68	100	46	100	22	100

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	3	4.5	0	0.0	3	14.3
Remained basically unchanged	53	80.3	37	82.2	16	76.2
Eased somewhat	8	12.1	7	15.6	1	4.8
Eased considerably	2	3.0	1	2.2	1	4.8
Total	66	100	45	100	21	100

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	2.9	0	0.0	2	9.1
Remained basically unchanged	49	72.1	31	67.4	18	81.8
Eased somewhat	17	25.0	15	32.6	2	9.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100	46	100	22	100

g. Collateralization requirements

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	64	95.5	44	97.8	20	90.9
Eased somewhat	3	4.5	1	2.2	2	9.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	67	100	45	100	22	100

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	2	3.1	1	2.3	1	4.8
Remained basically unchanged	58	90.6	39	90.7	19	90.5
Eased somewhat	4	6.2	3	7.0	1	4.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100	43	100	21	100

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

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.6	1	2.4	0	0.0
Remained basically unchanged	58	92.1	36	87.8	22	100.0
Eased somewhat	4	6.3	4	9.8	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100	41	100	22	100

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	3	4.8	2	4.9	1	4.5
Remained basically unchanged	55	87.3	35	85.4	20	90.9
Eased somewhat	5	7.9	4	9.8	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100	41	100	22	100

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	3.2	1	2.4	1	4.5
Remained basically unchanged	55	87.3	36	87.8	19	86.4
Eased somewhat	4	6.3	3	7.3	1	4.5
Eased considerably	2	3.2	1	2.4	1	4.5
Total	63	100	41	100	22	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	7.9	2	4.9	3	13.6
Remained basically unchanged	40	63.5	25	61.0	15	68.2
Eased somewhat	17	27.0	14	34.1	3	13.6
Eased considerably	1	1.6	0	0.0	1	4.5
Total	63	100	41	100	22	100

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	5	7.9	2	4.9	3	13.6
Remained basically unchanged	51	81.0	34	82.9	17	77.3
Eased somewhat	5	7.9	4	9.8	1	4.5
Eased considerably	2	3.2	1	2.4	1	4.5
Total	63	100	41	100	22	100

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.6	0	0.0	1	4.5
Remained basically unchanged	55	87.3	36	87.8	19	86.4
Eased somewhat	7	11.1	5	12.2	2	9.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100	41	100	22	100

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	2	3.2	1	2.5	1	4.3
Remained basically unchanged	60	95.2	39	97.5	21	91.3
Eased somewhat	1	1.6	0	0.0	1	4.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100	40	100	23	100

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	2	3.2	1	2.5	1	4.5
Remained basically unchanged	57	91.9	37	92.5	20	90.9
Eased somewhat	3	4.8	2	5.0	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	62	100	40	100	22	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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	8	100.0	3	100.0	5	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	3	100	5	100

b. Less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	37.5	0	0.0	3	60.0
Somewhat important	3	37.5	2	66.7	1	20.0
Very important	2	25.0	1	33.3	1	20.0
Total	8	100	3	100	5	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	50.0	1	33.3	3	60.0
Somewhat important	2	25.0	0	0.0	2	40.0
Very important	2	25.0	2	66.7	0	0.0
Total	8	100	3	100	5	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	7	87.5	2	66.7	5	100.0
Somewhat important	1	12.5	1	33.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100	3	100	5	100

e. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	6	75.0	2	66.7	4	80.0
Somewhat important	2	25.0	1	33.3	1	20.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100	3	100	5	100

f. Decreased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	7	87.5	2	66.7	5	100.0
Somewhat important	1	12.5	1	33.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100	3	100	5	100

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	6	75.0	3	100.0	3	60.0
Somewhat important	2	25.0	0	0.0	2	40.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100	3	100	5	100

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	7	87.5	3	100.0	4	80.0
Somewhat important	1	12.5	0	0.0	1	20.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100	3	100	5	100

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	26	96.3	20	95.2	6	100.0
Somewhat important	1	3.7	1	4.8	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	27	100	21	100	6	100

b. More favorable or less uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	20	71.4	16	72.7	4	66.7
Somewhat important	7	25.0	6	27.3	1	16.7
Very important	1	3.6	0	0.0	1	16.7
Total	28	100	22	100	6	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	23	85.2	17	81.0	6	100.0
Somewhat important	3	11.1	3	14.3	0	0.0
Very important	1	3.7	1	4.8	0	0.0
Total	27	100	21	100	6	100

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	55.2	11	47.8	5	83.3
Very important	13	44.8	12	52.2	1	16.7
Total	29	100	23	100	6	100

e. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	19	67.9	14	63.6	5	83.3
Somewhat important	7	25.0	6	27.3	1	16.7
Very important	2	7.1	2	9.1	0	0.0
Total	28	100	22	100	6	100

f. Increased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	22	81.5	17	81.0	5	83.3
Somewhat important	4	14.8	3	14.3	1	16.7
Very important	1	3.7	1	4.8	0	0.0
Total	27	100	21	100	6	100

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	26	96.3	20	95.2	6	100.0
Somewhat important	1	3.7	1	4.8	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	27	100	21	100	6	100

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	23	85.2	18	85.7	5	83.3
Somewhat important	4	14.8	3	14.3	1	16.7
Very important	0	0.0	0	0.0	0	0.0
Total	27	100	21	100	6	100

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	12	17.4	11	23.9	1	4.3
About the same	35	50.7	19	41.3	16	69.6
Moderately weaker	22	31.9	16	34.8	6	26.1
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	69	100	46	100	23	100

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	9	13.8	7	16.7	2	8.7
About the same	40	61.5	24	57.1	16	69.6
Moderately weaker	16	24.6	11	26.2	5	21.7
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	65	100	42	100	23	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 4A or 4B), possible reasons:

a. Customer inventory financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	5	38.5	5	45.5	0	0.0
Somewhat important	8	61.5	6	54.5	2	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	13	100	11	100	2	100

b. Customer accounts receivable financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	23.1	3	27.3	0	0.0
Somewhat important	10	76.9	8	72.7	2	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	13	100	11	100	2	100

c. Customer investment in plant or equipment increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	2	14.3	1	8.3	1	50.0
Somewhat important	11	78.6	10	83.3	1	50.0
Very important	1	7.1	1	8.3	0	0.0
Total	14	100	12	100	2	100

d. Customer internally generated funds decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	12	92.3	10	90.9	2	100.0
Somewhat important	1	7.7	1	9.1	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	13	100	11	100	2	100

e. Customer merger or acquisition financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	28.6	3	25.0	1	50.0
Somewhat important	8	57.1	7	58.3	1	50.0
Very important	2	14.3	2	16.7	0	0.0
Total	14	100	12	100	2	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	9	69.2	7	63.6	2	100.0
Somewhat important	4	30.8	4	36.4	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	13	100	11	100	2	100

g. Customer precautionary demand for cash and liquidity increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	10	90.9	8	88.9	2	100.0
Somewhat important	1	9.1	1	11.1	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	11	100	9	100	2	100

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	13	65.0	9	64.3	4	66.7
Somewhat important	7	35.0	5	35.7	2	33.3
Very important	0	0.0	0	0.0	0	0.0
Total	20	100	14	100	6	100

b. Customer accounts receivable financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	13	68.4	9	69.2	4	66.7
Somewhat important	6	31.6	4	30.8	2	33.3
Very important	0	0.0	0	0.0	0	0.0
Total	19	100	13	100	6	100

c. Customer investment in plant or equipment decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	9	45.0	6	42.9	3	50.0
Somewhat important	10	50.0	7	50.0	3	50.0
Very important	1	5.0	1	7.1	0	0.0
Total	20	100	14	100	6	100

d. Customer internally generated funds increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	19.0	2	13.3	2	33.3
Somewhat important	15	71.4	11	73.3	4	66.7
Very important	2	9.5	2	13.3	0	0.0
Total	21	100	15	100	6	100

e. Customer merger or acquisition financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	11	52.4	6	40.0	5	83.3
Somewhat important	9	42.9	8	53.3	1	16.7
Very important	1	4.8	1	6.7	0	0.0
Total	21	100	15	100	6	100

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	8	38.1	6	40.0	2	33.3
Somewhat important	11	52.4	7	46.7	4	66.7
Very important	2	9.5	2	13.3	0	0.0
Total	21	100	15	100	6	100

g. Customer precautionary demand for cash and liquidity decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	14	70.0	9	64.3	5	83.3
Somewhat important	6	30.0	5	35.7	1	16.7
Very important	0	0.0	0	0.0	0	0.0
Total	20	100	14	100	6	100

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	9	13.0	8	17.4	1	4.3
The number of inquiries has stayed about the same	41	59.4	26	56.5	15	65.2
The number of inquiries has decreased moderately	19	27.5	12	26.1	7	30.4
The number of inquiries has decreased substantially	0	0.0	0	0.0	0	0.0
Total	69	100	46	100	23	100

Questions 7-12 *ask about changes in standards and demand over the past three months for three different types of commercial real estate (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	6	9.0	3	6.8	3	13.0
Remained basically unchanged	59	88.1	40	90.9	19	82.6
Eased somewhat	2	3.0	1	2.3	1	4.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	67	100	44	100	23	100

For this question, 1 respondent answered "My bank does not originate construction and land development loans or credit lines."

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	6	8.8	3	6.7	3	13.0
Remained basically unchanged	58	85.3	39	86.7	19	82.6
Eased somewhat	4	5.9	3	6.7	1	4.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100	45	100	23	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.5	1	2.2	0	0.0
Tightened somewhat	4	5.9	1	2.2	3	13.0
Remained basically unchanged	60	88.2	40	88.9	20	87.0
Eased somewhat	3	4.4	3	6.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	68	100	45	100	23	100

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	4	6.0	3	6.8	1	4.3
About the same	47	70.1	30	68.2	17	73.9
Moderately weaker	16	23.9	11	25.0	5	21.7
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	67	100	44	100	23	100

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	0	0.0	0	0.0	0	0.0
Moderately stronger	3	4.4	1	2.2	2	8.7
About the same	55	80.9	37	82.2	18	78.3
Moderately weaker	10	14.7	7	15.6	3	13.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	68	100	45	100	23	100

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	0	0.0	0	0.0	0	0.0
Moderately stronger	6	8.8	5	11.1	1	4.3
About the same	53	77.9	34	75.6	19	82.6
Moderately weaker	9	13.2	6	13.3	3	13.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	68	100	45	100	23	100

Note: *Beginning with the January 2015 survey, the loan categories referred to in the questions regarding changes in credit standards and demand for residential mortgage loans have been revised to reflect the Consumer Financial Protection Bureau's qualified mortgage rules.*

Questions 13-14 *ask about seven categories of* ***residential mortgage loans*** *at your bank: Government-Sponsored Enterprise eligible (GSE-eligible) residential mortgages, government residential mortgages, Qualified Mortgage non-jumbo non-GSE-eligible (QM non-jumbo, non-GSE-eligible) residential mortgages, QM jumbo residential mortgages, non-QM jumbo residential mortgages, non-QM non-jumbo residential mortgages, and subprime residential mortgages. For the purposes of this survey, please use the following definitions of these loan categories and include first-lien closed-end loans to purchase homes only. The loan categories have been defined so that every first-lien closed-end residential mortgage loan used for home purchase fits into one of the following seven categories:*

- *The* ***GSE-eligible*** *category of residential mortgages includes loans that meet the underwriting guidelines,* *including loan limit amounts, of the GSEs - Fannie Mae and Freddie Mac.*

- *The* ***government*** *category of residential mortgages includes loans that are insured by the Federal Housing Administration, guaranteed by the Department of Veterans Affairs, or originated under government programs, including the U.S. Department of Agriculture home loan programs.*
- *The* ***QM non-jumbo, non-GSE-eligible*** *category of residential mortgages includes loans that satisfy the standards for a qualified mortgage and have loan balances that are below the loan limit amounts set by the GSEs but otherwise do not meet the GSE underwriting guidelines.*
- *The* ***QM jumbo*** *category of residential mortgages includes loans that satisfy the standards for a qualified mortgage but have loan balances that are above the loan limit amount set by the GSEs.*
- *The* ***non-QM jumbo*** *category of residential mortgages includes loans that do not satisfy the standards for a qualified mortgage and have loan balances that are above the loan limit amount set by the GSEs.*
- *The* ***non-QM non-jumbo*** *category of residential mortgages includes loans that do not satisfy the standards for a qualified mortgage and have loan balances that are below the loan limit amount set by the GSEs. (Please exclude loans classified by your bank as subprime in this category.)*
- *The* ***subprime*** *category of residential mortgages includes loans classified by your bank as subprime. This category typically includes loans made to borrowers with weakened credit histories that include payment delinquencies, charge-offs, judgements, and/or bankruptcies; reduced repayment capacity as measured by credit scores or debt-to-income ratios; or incomplete credit histories.*

Question 13 *deals with changes in your bank's credit standards for loans in each of the seven loan categories over the past three months. 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.* ***Question 14*** *deals with changes in demand for loans in each of the seven loan categories over the past three months.*

13. Over the past three months, how have your bank's credit standards for approving applications from individuals for mortgage loans to purchase homes changed? (Please consider only new originations as opposed to the refinancing of existing mortgages.)

A. Credit standards on mortgage loans that your bank categorizes as ***GSE-eligible*** residential mortgages have:

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	55	88.7	33	86.8	22	91.7
Eased somewhat	7	11.3	5	13.2	2	8.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	62	100	38	100	24	100

For this question, 6 respondents answered "My bank does not originate GSE-eligible residential mortgages."

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	51	87.9	31	88.6	20	87.0
Eased somewhat	7	12.1	4	11.4	3	13.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100	35	100	23	100

For this question, 9 respondents answered "My bank does not originate government residential mortgages."

C. Credit standards on mortgage loans that your bank categorizes as ***QM non-jumbo, non-GSE-eligible*** residential mortgages have:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.8	0	0.0	1	4.8
Remained basically unchanged	51	91.1	33	94.3	18	85.7
Eased somewhat	4	7.1	2	5.7	2	9.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100	35	100	21	100

For this question, 11 respondents answered "My bank does not originate QM non-jumbo, non-GSE-eligible residential mortgages."

D. Credit standards on mortgage loans that your bank categorizes as ***QM jumbo*** 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	2	3.3	0	0.0	2	8.7
Remained basically unchanged	50	83.3	32	86.5	18	78.3
Eased somewhat	8	13.3	5	13.5	3	13.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	60	100	37	100	23	100

For this question, 6 respondents answered "My bank does not originate QM jumbo residential mortgages."

E. Credit standards on mortgage loans that your bank categorizes as ***non-QM jumbo*** 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	3	5.3	0	0.0	3	15.8
Remained basically unchanged	47	82.5	34	89.5	13	68.4
Eased somewhat	7	12.3	4	10.5	3	15.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100	38	100	19	100

For this question, 9 respondents answered "My bank does not originate non-QM jumbo residential mortgages."

F. Credit standards on mortgage loans that your bank categorizes as ***non-QM non-jumbo*** 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	2	3.6	0	0.0	2	10.5
Remained basically unchanged	49	89.1	35	97.2	14	73.7
Eased somewhat	4	7.3	1	2.8	3	15.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100	36	100	19	100

For this question, 12 respondents answered "My bank does not originate non-QM non-jumbo residential mortgages."

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

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

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

A. Demand for mortgages that your bank categorizes as ***GSE-eligible*** 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	6	9.8	4	10.8	2	8.3
About the same	36	59.0	21	56.8	15	62.5
Moderately weaker	18	29.5	11	29.7	7	29.2
Substantially weaker	1	1.6	1	2.7	0	0.0
Total	61	100	37	100	24	100

B. Demand for mortgages that your bank categorizes as ***government*** 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	2	3.5	2	5.7	0	0.0
About the same	34	59.6	19	54.3	15	68.2
Moderately weaker	19	33.3	12	34.3	7	31.8
Substantially weaker	2	3.5	2	5.7	0	0.0
Total	57	100	35	100	22	100

C. Demand for mortgages that your bank categorizes as ***QM non-jumbo, non-GSE-eligible*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	4	7.1	2	5.7	2	9.5
About the same	32	57.1	20	57.1	12	57.1
Moderately weaker	19	33.9	12	34.3	7	33.3
Substantially weaker	1	1.8	1	2.9	0	0.0
Total	56	100	35	100	21	100

D. Demand for mortgages that your bank categorizes as ***QM jumbo*** 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	11.7	5	13.5	2	8.7
About the same	37	61.7	20	54.1	17	73.9
Moderately weaker	15	25.0	11	29.7	4	17.4
Substantially weaker	1	1.7	1	2.7	0	0.0
Total	60	100	37	100	23	100

E. Demand for mortgages that your bank categorizes as ***non-QM jumbo*** 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	6	10.3	4	10.5	2	10.0
About the same	40	69.0	25	65.8	15	75.0
Moderately weaker	11	19.0	8	21.1	3	15.0
Substantially weaker	1	1.7	1	2.6	0	0.0
Total	58	100	38	100	20	100

F. Demand for mortgages that your bank categorizes as ***non-QM non-jumbo*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	4	7.3	2	5.6	2	10.5
About the same	37	67.3	25	69.4	12	63.2
Moderately weaker	13	23.6	8	22.2	5	26.3
Substantially weaker	1	1.8	1	2.8	0	0.0
Total	55	100	36	100	19	100

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

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

Questions 15-16 *ask about* ***revolving home equity lines of credit*** *at your bank. Question 15 deals with changes in your bank's credit standards over the past three months. Question 16 deals with changes in demand. If your bank's credit standards have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.2	2	5.0	0	0.0
Remained basically unchanged	60	95.2	38	95.0	22	95.7
Eased somewhat	1	1.6	0	0.0	1	4.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100	40	100	23	100

For this question, 4 respondents answered "My bank does not originate revolving home equity lines of credit."

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	5	7.9	4	10.0	1	4.3
About the same	42	66.7	23	57.5	19	82.6
Moderately weaker	16	25.4	13	32.5	3	13.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	63	100	40	100	23	100

Questions 17-26 *ask about consumer lending at your bank. Question 17 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 18-23 deal with changes in credit standards and loan terms over the same period. Questions 24-26 deal 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.*

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Much more willing	1	1.8	1	2.9	0	0.0
Somewhat more willing	7	12.3	5	14.7	2	8.7
About unchanged	49	86.0	28	82.4	21	91.3
Somewhat less willing	0	0.0	0	0.0	0	0.0
Much less willing	0	0.0	0	0.0	0	0.0
Total	57	100	34	100	23	100

For this question, 11 respondents answered "My bank does not originate consumer installment loans."

18. 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	2	4.3	2	6.2	0	0.0
Remained basically unchanged	41	89.1	28	87.5	13	92.9
Eased somewhat	3	6.5	2	6.2	1	7.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	46	100	32	100	14	100

For this question, 21 respondents answered "My bank does not originate credit card loans to individuals or households."

19. 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	5	9.1	4	12.5	1	4.3
Remained basically unchanged	47	85.5	25	78.1	22	95.7
Eased somewhat	3	5.5	3	9.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100	32	100	23	100

For this question, 12 respondents answered "My bank does not originate auto loans to individuals or households."

20. 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	2	3.6	1	3.1	1	4.2
Remained basically unchanged	50	89.3	29	90.6	21	87.5
Eased somewhat	4	7.1	2	6.2	2	8.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100	32	100	24	100

For this question, 11 respondents answered "My bank does not originate consumer loans other than credit card or auto loans."

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

a. Credit limits

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	7.0	3	9.4	0	0.0
Remained basically unchanged	39	90.7	28	87.5	11	100.0
Eased somewhat	1	2.3	1	3.1	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	43	100	32	100	11	100

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	2	4.7	2	6.2	0	0.0
Remained basically unchanged	41	95.3	30	93.8	11	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	43	100	32	100	11	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	43	100.0	32	100.0	11	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	43	100	32	100	11	100

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	4.7	2	6.2	0	0.0
Remained basically unchanged	40	93.0	29	90.6	11	100.0
Eased somewhat	1	2.3	1	3.1	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	43	100	32	100	11	100

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	3	7.0	2	6.2	1	9.1
Remained basically unchanged	40	93.0	30	93.8	10	90.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	43	100	32	100	11	100

22. 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	1.8	1	3.1	0	0.0
Remained basically unchanged	53	96.4	30	93.8	23	100.0
Eased somewhat	1	1.8	1	3.1	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100	32	100	23	100

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	8	14.5	6	18.8	2	8.7
Remained basically unchanged	45	81.8	25	78.1	20	87.0
Eased somewhat	2	3.6	1	3.1	1	4.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100	32	100	23	100

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	1.8	1	3.1	0	0.0
Remained basically unchanged	53	96.4	30	93.8	23	100.0
Eased somewhat	1	1.8	1	3.1	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100	32	100	23	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.8	1	3.1	0	0.0
Remained basically unchanged	52	94.5	29	90.6	23	100.0
Eased somewhat	2	3.6	2	6.2	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100	32	100	23	100

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	3	5.5	2	6.2	1	4.3
Remained basically unchanged	52	94.5	30	93.8	22	95.7
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100	32	100	23	100

23. 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	54	94.7	30	90.9	24	100.0
Eased somewhat	3	5.3	3	9.1	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100	33	100	24	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.3	2	6.1	1	4.2
Remained basically unchanged	53	93.0	31	93.9	22	91.7
Eased somewhat	1	1.8	0	0.0	1	4.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100	33	100	24	100

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	57	100.0	33	100.0	24	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	57	100	33	100	24	100

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	3.5	1	3.0	1	4.2
Remained basically unchanged	54	94.7	31	93.9	23	95.8
Eased somewhat	1	1.8	1	3.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100	33	100	24	100

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	1.8	0	0.0	1	4.3
Remained basically unchanged	55	98.2	33	100.0	22	95.7
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100	33	100	23	100

24. 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	1	2.2	1	3.1	0	0.0
Moderately stronger	2	4.3	2	6.2	0	0.0
About the same	38	82.6	26	81.2	12	85.7
Moderately weaker	5	10.9	3	9.4	2	14.3
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	46	100	32	100	14	100

25. Apart from normal seasonal variation, how has demand from individuals or households for **auto loans** changed over the past three months?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	1	1.8	1	3.1	0	0.0
Moderately stronger	3	5.5	0	0.0	3	13.0
About the same	46	83.6	26	81.2	20	87.0
Moderately weaker	5	9.1	5	15.6	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	55	100	32	100	23	100

26. Apart from normal seasonal variation, how has demand from individuals or households for **consumer loans other than credit card and auto loans** changed over the past three months?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	6	10.5	5	15.2	1	4.2
About the same	48	84.2	25	75.8	23	95.8
Moderately weaker	3	5.3	3	9.1	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	57	100	33	100	24	100

This first set of special questions, Questions 27 and 28, asks about changes in your bank's likelihood of approving applications for credit card accounts and auto loans by borrowers' credit score.

27. In comparison to the beginning of the year, how much more or less likely is your bank to currently approve an application for a credit card to a borrower with the stated FICO score (or equivalent)? In each case assume that all other borrower characteristics are typical for credit card applications with that FICO score (or equivalent).

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Much more likely	0	0.0	0	0.0	0	0.0
Somewhat more likely	0	0.0	0	0.0	0	0.0
About as likely	31	70.5	22	66.7	9	81.8
Somewhat less likely	9	20.5	7	21.2	2	18.2
Much less likely	4	9.1	4	12.1	0	0.0
Total	44	100	33	100	11	100

For this question, 22 respondents answered "My bank does not originate credit card loans."

B. A borrower with a FICO score (or equivalent) of 680

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more likely	0	0.0	0	0.0	0	0.0
Somewhat more likely	5	11.4	4	12.1	1	9.1
About as likely	36	81.8	26	78.8	10	90.9
Somewhat less likely	3	6.8	3	9.1	0	0.0
Much less likely	0	0.0	0	0.0	0	0.0
Total	44	100	33	100	11	100

C. A borrower with a FICO score (or equivalent) of 720

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more likely	2	4.7	1	3.1	1	9.1
Somewhat more likely	6	14.0	4	12.5	2	18.2
About as likely	34	79.1	26	81.2	8	72.7
Somewhat less likely	1	2.3	1	3.1	0	0.0
Much less likely	0	0.0	0	0.0	0	0.0
Total	43	100	32	100	11	100

28. In comparison to the beginning of the year, how much more or less likely is your bank to currently approve an application for an auto loan to a borrower with the stated FICO score (or equivalent)? In each case assume that all other borrower characteristics are typical for auto loan applications with that FICO score (or equivalent).

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more likely	0	0.0	0	0.0	0	0.0
Somewhat more likely	3	5.8	2	6.9	1	4.3
About as likely	38	73.1	20	69.0	18	78.3
Somewhat less likely	7	13.5	3	10.3	4	17.4
Much less likely	4	7.7	4	13.8	0	0.0
Total	52	100	29	100	23	100

For this question, 13 respondents answered "My bank does not originate auto loans."

B. A borrower with a FICO score (or equivalent) of 680

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more likely	0	0.0	0	0.0	0	0.0
Somewhat more likely	6	11.8	3	10.7	3	13.0
About as likely	42	82.4	23	82.1	19	82.6
Somewhat less likely	3	5.9	2	7.1	1	4.3
Much less likely	0	0.0	0	0.0	0	0.0
Total	51	100	28	100	23	100

C. A borrower with a FICO score (or equivalent) of 720

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more likely	2	3.9	1	3.6	1	4.3
Somewhat more likely	7	13.7	5	17.9	2	8.7
About as likely	41	80.4	21	75.0	20	87.0
Somewhat less likely	1	2.0	1	3.6	0	0.0
Much less likely	0	0.0	0	0.0	0	0.0
Total	51	100	28	100	23	100

Please consider a hypothetical scenario in which your bank is operating in an interest rate environment in which there is a moderate inversion of the U.S. Treasury yield curve. In particular, please assume that the 3-month Treasury bill yield remains at its current level and the 10-year Treasury yield falls moderately below that level, and that this situation prevails over the next year. The following questions ask how your bank's credit standards or price terms across the five major loan categories would likely change in response to that hypothetical scenario.

29. How has the flattening of the yield curve this year affected your bank's credit standards and price terms for the following loan categories? (Please consider how the flattening of the yield curve has affected your bank's lending policies this year independent of other factors that have influenced those policies.)

A. In response to the yield curve flattening since the start of this year, my bank's credit standards for:

a. C&I loans or credit lines are currently:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially tighter than they would have otherwise been	0	0.0	0	0.0	0	0.0
Somewhat tighter than they would have otherwise been	4	6.1	2	4.7	2	8.7
Basically unchanged compared to where they would would have otherwise been	61	92.4	40	93.0	21	91.3
Somewhat easier than they would have otherwise been	1	1.5	1	2.3	0	0.0
Substantially easier than they would have otherwise been	0	0.0	0	0.0	0	0.0
Total	66	100	43	100	23	100

For this question, 1 respondent answered "My bank does not originate C&I loans."

b. Loans or credit lines secured by commercial real estate (CRE loans) are currently:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially tighter than they would have otherwise been	0	0.0	0	0.0	0	0.0
Somewhat tighter than they would have otherwise been	8	12.1	4	9.3	4	17.4
Basically unchanged compared to where they would have otherwise been	57	86.4	38	88.4	19	82.6
Somewhat easier than they would have otherwise been	1	1.5	1	2.3	0	0.0
Substantially easier than they would have otherwise been	0	0.0	0	0.0	0	0.0
Total	66	100	43	100	23	100

c. Loans or credit lines secured by residential real estate (RRE loans) are currently:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0	0	0.0	0	0.0
Somewhat tighter than they would have otherwise been	1	1.7	1	2.8	0	0.0
Basically unchanged compared to where they would have otherwise been	57	96.6	35	97.2	22	95.7
Somewhat easier than they would have otherwise been	1	1.7	0	0.0	1	4.3
Substantially easier than they would have otherwise been	0	0.0	0	0.0	0	0.0
Total	59	100	36	100	23	100

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

d. Credit card loans or lines of credit are currently:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0	0	0.0	0	0.0
Somewhat tighter than they would have otherwise been	2	4.3	1	3.2	1	6.7
Basically unchanged compared to where they would have otherwise been	43	93.5	29	93.5	14	93.3
Somewhat easier than they would have otherwise been	1	2.2	1	3.2	0	0.0
Substantially easier than they would have otherwise been	0	0.0	0	0.0	0	0.0
Total	46	100	31	100	15	100

For this question, 19 respondents answered "My bank does not originate credit card loans."

e. Auto loans or lines of credit are currently:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0	0	0.0	0	0.0
Somewhat tighter than they would have otherwise been	2	3.9	1	3.3	1	4.8
Basically unchanged compared to where they would have otherwise been	48	94.1	28	93.3	20	95.2
Somewhat easier than they would have otherwise been	1	2.0	1	3.3	0	0.0
Substantially easier than they would have otherwise been	0	0.0	0	0.0	0	0.0
Total	51	100	30	100	21	100

For this question, 14 respondents answered "My bank does not originate auto loans."

B. In response to the yield curve flattening since the start of this year, my bank's price terms (e.g., loan spreads over my bank's cost of funds or premia charged for risker loans, for which a higher spread or premium represents a tightening in those terms) for:

a. C&I loans or credit lines are currently:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0	0	0.0	0	0.0
Somewhat tighter than they would have otherwise been	8	12.3	4	9.5	4	17.4
Basically unchanged compared to where they would have otherwise been	50	76.9	36	85.7	14	60.9
Somewhat easier than they would have otherwise been	6	9.2	2	4.8	4	17.4
Substantially easier than they would have otherwise been	1	1.5	0	0.0	1	4.3
Total	65	100	42	100	23	100

b. Loans or credit lines secured by commercial real estate (CRE loans) are currently:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0	0	0.0	0	0.0
Somewhat tighter than they would have otherwise been	14	21.2	9	20.9	5	21.7
Basically unchanged compared to where they would have otherwise been	47	71.2	32	74.4	15	65.2
Somewhat easier than they would have otherwise been	5	7.6	2	4.7	3	13.0
Substantially easier than they would have otherwise been	0	0.0	0	0.0	0	0.0
Total	66	100	43	100	23	100

c. Loans or credit lines secured by residential real estate (RRE loans) are currently:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0	0	0.0	0	0.0
Somewhat tighter than they would have otherwise been	9	15.3	6	16.7	3	13.0
Basically unchanged compared to where they would have otherwise been	50	84.7	30	83.3	20	87.0
Somewhat easier than they would have otherwise been	0	0.0	0	0.0	0	0.0
Substantially easier than they would have otherwise been	0	0.0	0	0.0	0	0.0
Total	59	100	36	100	23	100

d. Credit card loans or lines of credit are currently:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0	0	0.0	0	0.0
Somewhat tighter than they would have otherwise been	2	4.4	1	3.2	1	7.1
Basically unchanged compared to where they would have otherwise been	43	95.6	30	96.8	13	92.9
Somewhat easier than they would have otherwise been	0	0.0	0	0.0	0	0.0
Substantially easier than they would have otherwise been	0	0.0	0	0.0	0	0.0
Total	45	100	31	100	14	100

e. Auto loans or lines of credit are currently:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0	0	0.0	0	0.0
Somewhat tighter than they would have otherwise been	2	3.9	1	3.3	1	4.8
Basically unchanged compared to where they would have otherwise been	46	90.2	27	90.0	19	90.5
Somewhat easier than they would have otherwise been	3	5.9	2	6.7	1	4.8
Substantially easier than they would have otherwise been	0	0.0	0	0.0	0	0.0
Total	51	100	30	100	21	100

30. To the extent that your bank's credit standards or price terms have changed in response to the flattening of the yield curve since the start of this year, what are the most important reasons for the changes? (Please respond to A if you indicated a tightening in standards or price terms in responding to any of the preceding questions in Question 29, B if you indicated an easing in standards or price terms in responding to any of the preceding questions in Question 29, or both, as appropriate).

A. Possible reasons why my bank's credit standards or price terms are currently tighter than they would have been had the yield curve not flattened

1. Relative to my bank's cost of funds, the lending categories for which my bank tightened its credit policies became less profitable

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	21.4	1	12.5	2	33.3
Somewhat important	7	50.0	5	62.5	2	33.3
Very important	4	28.6	2	25.0	2	33.3
Total	14	100	8	100	6	100

2. As a result of the yield curve flattening, my bank chose to cut back on its fixed rate lending

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	28.6	2	28.6	2	28.6
Somewhat important	8	57.1	4	57.1	4	57.1
Very important	2	14.3	1	14.3	1	14.3
Total	14	100	7	100	7	100

3. As a result of the yield curve flattening, my bank chose to cut back on its floating rate lending

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	15	100.0	8	100.0	7	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	15	100	8	100	7	100

4. As a result of the flattening of the yield curve, my bank's risk tolerance decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	9	64.3	4	57.1	5	71.4
Somewhat important	4	28.6	2	28.6	2	28.6
Very important	1	7.1	1	14.3	0	0.0
Total	14	100	7	100	7	100

5. My bank interpreted the flattening of the yield curve as signaling a less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	25.0	2	22.2	2	28.6
Somewhat important	11	68.8	7	77.8	4	57.1
Very important	1	6.2	0	0.0	1	14.3
Total	16	100	9	100	7	100

6. My bank interpreted the flattening of the yield curve as likely being followed by a deterioration in the quality of my bank's existing loan portfolio

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	7	46.7	3	37.5	4	57.1
Somewhat important	8	53.3	5	62.5	3	42.9
Very important	0	0.0	0	0.0	0	0.0
Total	15	100	8	100	7	100

7. As a result of the flattening of the yield curve, my bank experienced less aggressive competition from other banks or nonbank lenders

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	14	100.0	7	100.0	7	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	14	100	7	100	7	100

8. As a result of the flattening of the yield curve, the resale value of loans in the secondary market became lower or more uncertain

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	13	81.2	6	66.7	7	100.0
Somewhat important	2	12.5	2	22.2	0	0.0
Very important	1	6.2	1	11.1	0	0.0
Total	16	100	9	100	7	100

B. Possible reasons why my bank's credit standards or price terms are currently easier than they would have been had the yield curve not flattened

1. Relative to my bank's cost of funds, the lending categories for which my bank eased its credit policies became more profitable

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	7	87.5	3	75.0	4	100.0
Somewhat important	1	12.5	1	25.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100	4	100	4	100

2. As a result of the yield curve flattening, my bank chose to cut back on its fixed rate lending

	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	4	100	4	100

3. As a result of the yield curve flattening, my bank chose to cut back on its floating rate lending

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	5	62.5	3	75.0	2	50.0
Somewhat important	2	25.0	1	25.0	1	25.0
Very important	1	12.5	0	0.0	1	25.0
Total	8	100	4	100	4	100

4. As a result of the flattening of the yield curve, my bank's risk tolerance decreased

	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	4	100	4	100

5. My bank interpreted the flattening of the yield curve as signaling a less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	7	87.5	3	75.0	4	100.0
Somewhat important	1	12.5	1	25.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100	4	100	4	100

6. My bank interpreted the flattening of the yield curve as likely being followed by a deterioration in the quality of my bank's existing loan portfolio

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	7	87.5	3	75.0	4	100.0
Somewhat important	1	12.5	1	25.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100	4	100	4	100

7. As a result of the flattening of the yield curve, my bank experienced less aggressive competition from other banks or nonbank lenders

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	1	11.1	1	25.0	0	0.0
Somewhat important	3	33.3	1	25.0	2	40.0
Very important	5	55.6	2	50.0	3	60.0
Total	9	100	4	100	5	100

8. As a result of the flattening of the yield curve, the resale value of loans in the secondary market became lower or more uncertain

	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	4	100	4	100

31. How would that hypothetical moderate inversion of the yield curve over the next year likely affect your current credit standards and price terms for the following loan categories? (Please consider the hypothetical effects of the inverted yield curve on your bank's credit policies independent of other factors that may also be expected to influence those policies.)

A. Were the yield curve to experience a moderate inversion over the next year, my bank's credit standards for:

a. C&I loans or credit lines would likely:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten substantially	2	3.1	1	2.4	1	4.3
Tighten somewhat	24	36.9	16	38.1	8	34.8
Remain basically unchanged	39	60.0	25	59.5	14	60.9
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease substantially	0	0.0	0	0.0	0	0.0
Total	65	100	42	100	23	100

b. Loans or credit lines secured by commercial real estate (CRE loans) would likely:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten substantially	2	3.1	1	2.4	1	4.3
Tighten somewhat	29	44.6	21	50.0	8	34.8
Remain basically unchanged	34	52.3	20	47.6	14	60.9
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease substantially	0	0.0	0	0.0	0	0.0
Total	65	100	42	100	23	100

c. Loans or credit lines secured by residential real estate (RRE loans) would likely:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten substantially	1	1.7	1	2.8	0	0.0
Tighten somewhat	19	32.8	14	38.9	5	22.7
Remain basically unchanged	37	63.8	20	55.6	17	77.3
Ease somewhat	1	1.7	1	2.8	0	0.0
Ease substantially	0	0.0	0	0.0	0	0.0
Total	58	100	36	100	22	100

d. Credit card loans or lines of credit would likely:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten substantially	0	0.0	0	0.0	0	0.0
Tighten somewhat	14	31.1	11	35.5	3	21.4
Remain basically unchanged	31	68.9	20	64.5	11	78.6
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease substantially	0	0.0	0	0.0	0	0.0
Total	45	100	31	100	14	100

e. Auto loans or lines of credit would likely:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten substantially	0	0.0	0	0.0	0	0.0
Tighten somewhat	13	26.0	10	34.5	3	14.3
Remain basically unchanged	37	74.0	19	65.5	18	85.7
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease substantially	0	0.0	0	0.0	0	0.0
Total	50	100	29	100	21	100

B. Were the yield curve to experience a moderate inversion over the next year, my bank's price terms for:

a. C&I loans or credit lines would likely:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten substantially	1	1.6	1	2.5	0	0.0
Tighten somewhat	18	28.6	11	27.5	7	30.4
Remain basically unchanged	42	66.7	28	70.0	14	60.9
Ease somewhat	2	3.2	0	0.0	2	8.7
Ease substantially	0	0.0	0	0.0	0	0.0
Total	63	100	40	100	23	100

b. Loans or credit lines secured by commercial real estate (CRE loans) would likely:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten substantially	2	3.1	1	2.4	1	4.3
Tighten somewhat	21	32.8	14	34.1	7	30.4
Remain basically unchanged	39	60.9	25	61.0	14	60.9
Ease somewhat	2	3.1	1	2.4	1	4.3
Ease substantially	0	0.0	0	0.0	0	0.0
Total	64	100	41	100	23	100

c. Loans or credit lines secured by residential real estate (RRE loans) would likely:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten substantially	2	3.4	1	2.9	1	4.3
Tighten somewhat	18	31.0	12	34.3	6	26.1
Remain basically unchanged	37	63.8	21	60.0	16	69.6
Ease somewhat	1	1.7	1	2.9	0	0.0
Ease substantially	0	0.0	0	0.0	0	0.0
Total	58	100	35	100	23	100

d. Credit card loans or lines of credit would likely:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten substantially	0	0.0	0	0.0	0	0.0
Tighten somewhat	10	22.2	7	22.6	3	21.4
Remain basically unchanged	35	77.8	24	77.4	11	78.6
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease substantially	0	0.0	0	0.0	0	0.0
Total	45	100	31	100	14	100

e. Auto loans or lines of credit would likely:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten substantially	0	0.0	0	0.0	0	0.0
Tighten somewhat	14	28.0	10	34.5	4	19.0
Remain basically unchanged	36	72.0	19	65.5	17	81.0
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease substantially	0	0.0	0	0.0	0	0.0
Total	50	100	29	100	21	100

32. To the extent that your bank would likely change its credit standards or price terms in response to a moderate

inversion of the yield curve over the next year, what would likely be the most important reasons for the changes? (Please respond to A if you indicated a tightening in standards or terms in responding to any of the preceding questions in Question 31, B if you indicated an easing in standards or terms in responding to any of the preceding questions in Question 31, or both, as appropriate).

A. Possible reasons my bank would expect to tighten its credit standards or price terms in response to a moderate inversion of the yield curve over the next year

1. Relative to my bank's cost of funds, the lending categories for which my bank would tighten its credit policies would become less profitable

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	11	34.4	6	28.6	5	45.5
Somewhat important	12	37.5	9	42.9	3	27.3
Very important	9	28.1	6	28.6	3	27.3
Total	32	100	21	100	11	100

2. As a result of a moderate inversion of the yield curve over the next year, my bank would choose to cut back on its fixed rate lending

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	17	56.7	12	63.2	5	45.5
Somewhat important	9	30.0	6	31.6	3	27.3
Very important	4	13.3	1	5.3	3	27.3
Total	30	100	19	100	11	100

3. As a result of a moderate inversion of the yield curve over the next year, my bank would choose to cut back on its floating rate lending

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	27	90.0	19	100.0	8	72.7
Somewhat important	2	6.7	0	0.0	2	18.2
Very important	1	3.3	0	0.0	1	9.1
Total	30	100	19	100	11	100

4. As a result of a moderate inversion of the yield curve over the next year, my bank's risk tolerance would decrease

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	5	16.7	4	21.1	1	9.1
Somewhat important	20	66.7	10	52.6	10	90.9
Very important	5	16.7	5	26.3	0	0.0
Total	30	100	19	100	11	100

5. My bank would interpret a moderate inversion of the yield curve over the next year as signaling a less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	1	3.1	1	4.8	0	0.0
Somewhat important	18	56.2	11	52.4	7	63.6
Very important	13	40.6	9	42.9	4	36.4
Total	32	100	21	100	11	100

6. My bank would interpret a moderate inversion of the yield curve over the next year as likely being followed by a deterioration in the quality of my bank's existing loan portfolio

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	9.4	2	9.5	1	9.1
Somewhat important	22	68.8	13	61.9	9	81.8
Very important	7	21.9	6	28.6	1	9.1
Total	32	100	21	100	11	100

7. As a result of a moderate inversion of the yield curve over the next year, my bank would experience less aggressive competition from other banks or nonbank lenders

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	21	67.7	11	55.0	10	90.9
Somewhat important	9	29.0	8	40.0	1	9.1
Very important	1	3.2	1	5.0	0	0.0
Total	31	100	20	100	11	100

8. As a result of a moderate inversion of the yield curve over the next year, the resale value of loans in the secondary market would become lower or more uncertain

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	20	64.5	13	65.0	7	63.6
Somewhat important	10	32.3	6	30.0	4	36.4
Very important	1	3.2	1	5.0	0	0.0
Total	31	100	20	100	11	100

B. Possible reasons my bank would ease its credit standards or price terms in response to a moderate inversion of the yield curve over the next year

1. Relative to my bank's cost of funds, the lending categories for which my bank would ease its credit policies would become more profitable

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

2. As a result of a moderate inversion of the yield cover over the next year, my bank would choose to increase its fixed rate lending

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

3. As a result of a moderate inversion of the yield cover over the next year, my bank would choose to increase its floating rate lending

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

4. As a result of a moderate inversion of the yield cover over the next year, my bank's risk tolerance would increase

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

5. My bank would interpret a moderate inversion of the yield curve over the next year as signaling a more favorable or less uncertain economic outlook

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

6. My bank would interpret a moderate inversion of the yield over the next year as likely being followed by an improvement in the quality of my bank's existing loan portfolio

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

7. As a result of a moderate inversion of the yield curve over the next year, my bank would experience more aggressive competition from other banks or nonbank lenders

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

8. As a result of a moderate inversion of the yield curve over the next year, the resale value of loans in the secondary market would become higher or less uncertain

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	75.0	1	50.0	2	100.0
Somewhat important	1	25.0	1	50.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	4	100	2	100	2	100

1. The sample is selected from among the largest banks in each Federal Reserve District. In the table, large banks are defined as those with total domestic assets of $20 billion or more as of June 30, 2018. The combined assets of the 46 large banks totaled $10.2 trillion, compared to $10.5 trillion for the entire panel of 70 banks, and $14.8 trillion for all domestically chartered, federally insured commercial banks.

Last Update: November 13, 2018

Table 2

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

(Status of Policy as of October 2018)

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	21	95.5
Eased somewhat	1	4.5
Eased considerably	0	0.0
Total	22	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	21	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	21	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	21	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	21	100

c. Costs of credit lines

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	21	100

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

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	18	85.7
Eased somewhat	3	14.3
Eased considerably	0	0.0
Total	21	100

e. Premiums charged on riskier loans

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	4.8
Remained basically unchanged	20	95.2
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	21	100

f. Loan covenants

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	21	100

g. Collateralization requirements

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	21	100

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

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	21	100

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 changes in 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	3	75.0
Somewhat important	1	25.0
Very important	0	0.0
Total	4	100

b. More favorable or less uncertain economic outlook

	All Respondents	
	Banks	Percent
Not important	3	75.0
Somewhat important	1	25.0
Very important	0	0.0
Total	4	100

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

	All Respondents	
	Banks	Percent
Not important	4	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	4	100

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

	All Respondents	
	Banks	Percent
Not important	0	0.0
Somewhat important	1	25.0
Very important	3	75.0
Total	4	100

e. Increased tolerance for risk

	All Respondents	
	Banks	Percent
Not important	4	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	4	100

f. Increased liquidity in the secondary market for these loans

	All Respondents	
	Banks	Percent
Not important	3	75.0
Somewhat important	1	25.0
Very important	0	0.0
Total	4	100

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

	All Respondents	
	Banks	Percent
Not important	4	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	4	100

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

	All Respondents	
	Banks	Percent
Not important	3	75.0
Somewhat important	1	25.0
Very important	0	0.0
Total	4	100

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

	All Respondents	
	Banks	Percent
Substantially stronger	0	0.0
Moderately stronger	1	4.8
About the same	19	90.5
Moderately weaker	1	4.8
Substantially weaker	0	0.0
Total	21	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 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	9.1
The number of inquiries has stayed about the same	19	86.4
The number of inquiries has decreased moderately	1	4.5
The number of inquiries has decreased substantially	0	0.0
Total	22	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	1	7.1
Remained basically unchanged	13	92.9
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	14	100

For this question, 6 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	1	7.1
About the same	13	92.9
Moderately weaker	0	0.0
Substantially weaker	0	0.0
Total	14	100

Please consider a hypothetical scenario in which your bank is operating in an interest rate environment in which there is a moderate inversion of the U.S. Treasury yield curve. In particular, please assume that the 3-month Treasury bill yield remains at its current level and the 10-year Treasury yield falls moderately below that level, and that this situation prevails over the next year. The following questions ask how your bank's credit standards or price terms across the major loan categories of business lending would likely change in response to that hypothetical scenario.

9. How has the flattening of the yield curve this year affected your bank's credit standards and price terms for the following loan categories? (Please consider how the flattening of the yield curve has affected your bank's lending policies this year independent of other factors that have influenced those policies.)

A. In response to the yield curve flattening since the start of this year, my bank's credit standards for:

a. C&I loans or credit lines are currently:

	All Respondents	
	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0
Somewhat tighter than they would have otherwise been	0	0.0
Basically unchanged compared to where they would would have otherwise been	22	100.0
Somewhat easier than they would have otherwise been	0	0.0
Substantially easier than they would have otherwise been	0	0.0
Total	22	100

b. Loans or credit lines secured by commercial real estate (CRE loans) are currently:

	All Respondents	
	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0
Somewhat tighter than they would have otherwise been	0	0.0
Basically unchanged compared to where they would would have otherwise been	12	100.0
Somewhat easier than they would have otherwise been	0	0.0
Substantially easier than they would have otherwise been	0	0.0
Total	12	100

For this question, 6 respondents answered "My bank does not originate CRE loans."

B. In response to the yield curve flattening since the start of this year, my bank's price terms (e.g., loan spreads over my bank's cost of funds or premia charged for risker loans, for which a higher spread or premium represents a tightening in those terms) for:

a. C&I loans or credit lines are currently:

	All Respondents	
	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0
Somewhat tighter than they would have otherwise been	2	9.5
Basically unchanged compared to where they would would have otherwise been	18	85.7
Somewhat easier than they would have otherwise been	1	4.8
Substantially easier than they would have otherwise been	0	0.0
Total	21	100

b. Loans or credit lines secured by commercial real estate (CRE loans) are currently:

	All Respondents	
	Banks	Percent
Substantially tighter than they would have otherwise been	0	0.0
Somewhat tighter than they would have otherwise been	2	16.7
Basically unchanged compared to where they would would have otherwise been	9	75.0
Somewhat easier than they would have otherwise been	1	8.3
Substantially easier than they would have otherwise been	0	0.0
Total	12	100

10. To the extent that your bank's credit standards or price terms have changed in response to the flattening of the yield curve since the start of this year, what are the most important reasons for the changes? (Please respond to A if you indicated a tightening in standards or price terms in responding to any of the preceding questions in Question 9, B if you indicated an easing in standards or price terms in responding to any of the preceding questions in Question 9, or both, as appropriate).

A. Possible reasons why my bank's credit standards or price terms are currently tighter than they would have been had the yield curve not flattened

1. Relative to my bank's cost of funds, the lending categories for which my bank tightened its credit policies became less profitable

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

2. As a result of the yield curve flattening, my bank chose to cut back on its fixed rate lending

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

3. As a result of the yield curve flattening, my bank chose to cut back on its floating rate lending

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

4. As a result of the flattening of the yield curve, my bank's risk tolerance decreased

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

5. My bank interpreted the flattening of the yield curve as signaling a less favorable or more uncertain economic outlook

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

6. My bank interpreted the flattening of the yield curve as likely being followed by a deterioration in the quality of my bank's existing loan portfolio

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

7. As a result of the flattening of the yield curve, my bank experienced less aggressive competition from other banks or nonbank lenders

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

8. As a result of the flattening of the yield curve, the resale value of loans in the secondary market became lower or more uncertain

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

B. Possible reasons why my bank's credit standards or price terms are currently easier than they would have been had the yield curve not flattened

1. Relative to my bank's cost of funds, the lending categories for which my bank eased its credit policies became more profitable

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

2. As a result of the yield curve flattening, my bank chose to cut back on its fixed rate lending

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

3. As a result of the yield curve flattening, my bank chose to cut back on its floating rate lending

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

4. As a result of the flattening of the yield curve, my bank's risk tolerance decreased

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

5. My bank interpreted the flattening of the yield curve as signaling a less favorable or more uncertain economic outlook

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

6. My bank interpreted the flattening of the yield curve as likely being followed by a deterioration in the quality of my bank's existing loan portfolio

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

7. As a result of the flattening of the yield curve, my bank experienced less aggressive competition from other banks or nonbank lenders

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

8. As a result of the flattening of the yield curve, the resale value of loans in the secondary market became lower or more uncertain

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

11. How would that hypothetical moderate inversion of the yield curve over the next year likely affect your current credit standards and price terms for the following loan categories? (Please consider the hypothetical effects of the inverted yield curve on your bank's credit policies independent of other factors that may also be expected to influence those policies.)

A. Were the yield curve to experience a moderate inversion over the next year, my bank's credit standards for:

a. C&I loans or credit lines would likely:

	All Respondents	
	Banks	**Percent**
Tighten substantially	0	0.0
Tighten somewhat	4	19.0
Remain basically unchanged	17	81.0
Ease somewhat	0	0.0
Ease substantially	0	0.0
Total	21	100

b. Loans or credit lines secured by commercial real estate (CRE loans) would likely:

	All Respondents	
	Banks	Percent
Tighten substantially	0	0.0
Tighten somewhat	5	41.7
Remain basically unchanged	7	58.3
Ease somewhat	0	0.0
Ease substantially	0	0.0
Total	12	100

B. Were the yield curve to experience a moderate inversion over the next year, my bank's price terms for: a. C&I loans or credit lines would likely:

a. C&I loans or credit lines would likely:

	All Respondents	
	Banks	Percent
Tighten substantially	0	0.0
Tighten somewhat	5	22.7
Remain basically unchanged	16	72.7
Ease somewhat	1	4.5
Ease substantially	0	0.0
Total	22	100

b. Loans or credit lines secured by commercial real estate (CRE loans) would likely:

	All Respondents	
	Banks	Percent
Tighten substantially	0	0.0
Tighten somewhat	5	41.7
Remain basically unchanged	6	50.0
Ease somewhat	1	8.3
Ease substantially	0	0.0
Total	12	100

12. To the extent that your bank would likely change its credit standards or price terms in response to a moderate inversion of the yield curve over the next year, what would likely be the most important reasons for the changes? (Please respond to A if you indicated a tightening in standards or terms in responding to any of the preceding questions in Question 11, B if you indicated an easing in standards or terms in responding to any of the preceding questions in Question 11, or both, as appropriate).

A. Possible reasons my bank would expect to tighten its credit standards or price terms in response to a moderate inversion of the yield curve over the next year

1. Relative to my bank's cost of funds, the lending categories for which my bank would tighten its credit policies would become less profitable

	All Respondents	
	Banks	Percent
Not important	2	40.0
Somewhat important	2	40.0
Very important	1	20.0
Total	5	100

2. As a result of a moderate inversion of the yield curve over the next year, my bank would choose to cut back on its fixed rate lending

	All Respondents	
	Banks	**Percent**
Not important	5	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	5	100

3. As a result of a moderate inversion of the yield curve over the next year, my bank would choose to cut back on its floating rate lending

	All Respondents	
	Banks	**Percent**
Not important	5	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	5	100

4. As a result of a moderate inversion of the yield curve over the next year, my bank's risk tolerance would decrease

	All Respondents	
	Banks	**Percent**
Not important	2	40.0
Somewhat important	3	60.0
Very important	0	0.0
Total	5	100

5. My bank would interpret a moderate inversion of the yield curve over the next year as signaling a less favorable or more uncertain economic outlook

	All Respondents	
	Banks	**Percent**
Not important	0	0.0
Somewhat important	1	20.0
Very important	4	80.0
Total	5	100

6. My bank would interpret a moderate inversion of the yield curve over the next year as likely being followed by a deterioration in the quality of my bank's existing loan portfolio

	All Respondents	
	Banks	**Percent**
Not important	0	0.0
Somewhat important	3	60.0
Very important	2	40.0
Total	5	100

7. As a result of a moderate inversion of the yield curve over the next year, my bank would experience less aggressive competition from other banks or nonbank lenders

	All Respondents	
	Banks	**Percent**
Not important	2	40.0
Somewhat important	2	40.0
Very important	1	20.0
Total	5	100

8. As a result of a moderate inversion of the yield curve over the next year, the resale value of loans in the secondary market would become lower or more uncertain

	All Respondents	
	Banks	Percent
Not important	2	33.3
Somewhat important	2	33.3
Very important	2	33.3
Total	6	100

B. Possible reasons my bank would ease its credit standards or price terms in response to a moderate inversion of the yield curve over the next year

1. Relative to my bank's cost of funds, the lending categories for which my bank would ease its credit policies would become more profitable

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

2. As a result of a moderate inversion of the yield cover over the next year, my bank would choose to increase its fixed rate lending

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

3. As a result of a moderate inversion of the yield cover over the next year, my bank would choose to increase its floating rate lending

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

4. As a result of a moderate inversion of the yield cover over the next year, my bank's risk tolerance would increase

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

5. My bank would interpret a moderate inversion of the yield curve over the next year as signaling a more favorable or less uncertain economic outlook

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

6. My bank would interpret a moderate inversion of the yield over the next year as likely being followed by an improvement in the quality of my bank's existing loan portfolio

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

7. As a result of a moderate inversion of the yield curve over the next year, my bank would experience more aggressive competition from other banks or nonbank lenders

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

8. As a result of a moderate inversion of the yield curve over the next year, the resale value of loans in the secondary market would become higher or less uncertain

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

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1. As of June 30, 2018, the 22 respondents had combined assets of $1.5 trillion, compared to $2.5 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.