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

DIVISION OF MONETARY AFFAIRS

For release at 2:00 p.m. ET May 4, 2009

TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

Enclosed for distribution to respondents is a national summary of the April 2009 Senior Loan Officer Opinion Survey on Bank Lending Practices.

Enclosures

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

The April 2009 Senior Loan Officer Opinion Survey on Bank Lending Practices

The April 2009 Senior Loan Officer Opinion Survey on Bank Lending Practices addressed changes in the supply of, and demand for, loans to businesses and households over the previous three months. The survey also included two sets of special questions: The first set asked banks about their expectations for delinquencies and charge-offs on existing loans to business and households; the second set queried banks about international trade finance. This article is based on responses from 53 domestic banks and 23 U.S. branches and agencies of foreign banks.[1]

In the April survey, the net percentages of respondents that reported having tightened their business lending policies over the previous three months, although continuing to be very elevated, edged down for the second consecutive survey. In contrast, somewhat larger net percentages of domestic banks than in the January survey reported having tightened credit standards on residential mortgages. The net percentage of domestic respondents that reported having tightened their lending policies on credit card loans remained about unchanged from the January survey, whereas the net percentage that reported having tightened their policies on other consumer loans fell. Respondents indicated that demand for loans from both businesses and households continued to weaken for nearly all types of loans over the survey period, an exception being demand for prime mortgages, a category of loans that registered an increase in demand for the first time since the survey began to track prime mortgages separately in April 2007.

In response to the special questions on the outlook for loan quality, a significant majority of banks reported that credit quality for all types of loans is likely to deteriorate over the year if the economy progresses according to consensus forecasts. In response to the special questions on international trade finance, the majority of domestic institutions that provide such credit and a substantial fraction of foreign institutions reported having tightened standards over the previous six months.

Questions on Lending to Businesses
(Table 1, questions 1-8; Table 2, questions 1-8)

Commercial and industrial lending. On net, about 40 percent of domestic respondents, compared with around 65 percent in the January survey, reported having tightened their credit standards on commercial and industrial (C&I) loans to firms of all sizes over the previous three months. On balance, domestic banks have reported tightening their credit standards on C&I loans to large and middle-market firms for eight consecutive surveys and to small firms for ten consecutive surveys. Although 40 percent is still very elevated, the April survey marks the first time since January 2008 that the proportion of banks reporting such tightening fell below 50 percent. Similarly, the net percentages of domestic respondents that reported tightening various terms on C&I loans over the

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[1] Respondent banks received the survey on or after March 31, 2009, and their responses were due April 14, 2009.

previous three months remained elevated but were slightly lower than those reported in the January survey. Specifically, about 80 percent of domestic banks, on balance, indicated that they had increased spreads of loan rates over their cost of funds for C&I loans to large and middle-market firms, compared with around 95 percent in January. About 75 percent of domestic respondents, compared with about 90 percent in January, indicated that they had increased such spreads for C&I loans to small firms. A significant majority of banks reported having charged higher premiums on riskier loans and having increased the costs of credit lines over the survey period.

U.S. branches and agencies of foreign banks also tightened their business lending stance further over the previous three months. On net, about 30 percent of foreign banks, compared with 65 percent in Janaury, reported tightening credit standards for C&I loans. As with their domestic counterparts, significant percentages of foreign banks further tightened various terms on C&I loans, although these percentages were somewhat lower than those in January. On balance, over 65 percent of foreign respondents reported an increase in premiums charged on riskier loans and in the cost of credit lines, and about 60 percent of foreign banks reported an increase in spreads of loan rates over their cost of funds.

Large majorities of both domestic and foreign banks reported a less favorable or more uncertain economic outlook, a worsening of industry-specific problems, and a reduced tolerance for risk as important reasons for tightening credit standards and terms on C&I loans. A substantial majority of foreign respondents also indicated that an increase in defaults by borrowers in public debt markets, decreased liquidity in the secondary market for business loans, and deterioration in their banks' expected capital position were important reasons for the change in C&I lending policies over the survey period.

On balance, about 60 percent of domestic banks reported a further weakening of demand for C&I loans from firms of all sizes over the previous three months, a proportion similar to that reported in the January survey. In contrast, foreign banks, on net, saw little change in demand over the survey period, compared with about 25 percent that reported weaker demand in the January survey.

All foreign respondents and 37 of the 38 domestic banks that saw weaker demand for C&I loans over the previous three months indicated that a decrease in their customers' needs to finance investment in plant or equipment was an important reason for the change in loan demand. Substantial majorities of the domestic institutions that had experienced such weaker demand also pointed to decreases in their customers' needs to finance inventories, accounts receivable, and mergers and acquisitions. In addition, about 35 percent of domestic respondents, on net, reported that inquiries from potential business borrowers had decreased during the survey period, a percentage similar to that in the January survey. In contrast, only about 5 percent of foreign respondents, on net, reported a decrease in such inquiries.

Commercial real estate lending. About 65 percent of domestic banks, on net, reported tightening their lending standards on commercial real estate (CRE) loans over the previous three months, compared with about 80 percent in the January survey. On balance, domestic banks have been tightening credit standards on CRE loans for 14 consecutive surveys, and the April survey marks the first time since October 2007 that the net proportion of banks reporting such tightening fell below 70 percent. About 35 percent of foreign branches and agencies also reported tightening their lending standards on CRE loans over the survey period. The demand for CRE loans weakened further at survey respondents over the previous three months. About 65 percent of domestic banks, on balance, reported weaker demand for CRE loans, the highest net percentage so reporting since the survey began tracking demand for CRE loans in April 1995. In contrast, the net proportion of foreign banks that reported a decrease in demand for CRE loans—about 35 percent—was somewhat smaller than that in the January survey.

Questions on Lending to Households
(Table 1, questions 9-18)

Residential real estate lending. In the April survey, somewhat larger fractions of domestic respondents than in the January survey reported having tightened their lending standards on prime and nontraditional residential mortgages. About 50 percent of domestic respondents indicated that they had tightened their lending standards on prime mortgages over the previous three months, and about 65 percent of the 25 banks that originated nontraditional residential mortgage loans over the survey period reported having tightened their lending standards on such loans. About 35 percent of domestic respondents saw stronger demand, on net, for prime residential mortgage loans over the previous three months, a substantial change from the roughly 10 percent that reported weaker demand in the January survey. About 10 percent of respondents reported having experienced weaker demand for nontraditional mortgage loans over the previous three months—a substantially lower proportion than in the January survey. Only two banks reported making subprime mortgage loans over the same period.

On net, about 50 percent of domestic respondents, down from roughly 60 percent in the January survey noted that they had tightened their lending standards for approving applications for revolving home equity lines of credit (HELOCs) over the previous three months. Regarding demand, about 30 percent of domestic banks, on net, reported weaker demand for HELOCs over the previous three months, slightly more than the proportion that had reported weaker demand in the January survey.

Consumer lending. Large percentages of domestic banks again reported a tightening of standards and terms on both credit card loans and other consumer loans over the previous three months. Nearly 60 percent of respondents indicated that they had tightened lending standards on credit card loans, about the same proportion as in the January survey. About 50 percent of respondents, down from 60 percent in the January survey, reported tightening standards on other consumer loans. About 50 percent of respondents reported having reduced the extent to which credit card accounts were granted to customers who did not meet their bank's credit-scoring thresholds, and a similar fraction reported pulling back from granting other kinds of consumer loans to such customers. Roughly 55 percent of the respondents, a somewhat higher proportion than in the January survey, reported having raised minimum required credit scores on credit card accounts over the previous three months. About 45 percent of respondents reported having raised minimum scores on consumer loans other than credit cards, and about 65 percent of banks, compared with 45 percent in the January survey, indicated that they had lowered credit limits to either new or existing credit card customers. In contrast to the substantial net tightening reported for consumer loan standards and terms, only about 5 percent of domestic banks, on net, indicated that they had become less willing to make consumer installment loans over the previous three months; this proportion is down from 15 percent in the January survey and 45 percent late last year. Regarding demand, about 20 percent of respondents, on net, indicated that they had experienced weaker demand for consumer loans of all types over the previous three months—substantially less that the percentage so reporting in the January survey.

Questions on Existing Credit Lines
(Table 1, question 19; Table 2, question 9)

The April survey repeated a special question from the January survey that queried banks on how, over the previous three months, they had changed the sizes of credit lines for existing customers for a number of account types. On balance, banks had continued to trim lines for both businesses and households. Regarding existing accounts for businesses, roughly 55 percent of domestic respondents, on balance, reported a decrease in the limits on CRE accounts—a proportion slightly lower than that reported in the January survey. About 55 percent of respondents indicated a decrease in the limits on credit lines extended to financial firms—a proportion slightly above that in the January survey. About 30 percent (about the same as in the January survey) indicated a decrease in credit limits on business credit card accounts, and roughly 40 percent (significantly more than in January) noted a decrease in the size of C&I credit lines. On net, a large proportion of foreign banks also decreased limits on credit lines extended to financial firms, CRE credit lines, and C&I credit lines. Regarding existing accounts for households, about 40 percent of domestic banks, on net (about the same as in January), reported having reduced the sizes of existing HELOCs, and approximately 50 percent (up from 35 percent in the January survey) reported having trimmed existing consumer credit card account limits.

Special Questions
(Table 1, questions 20-25; Table 2, questions 10-14)

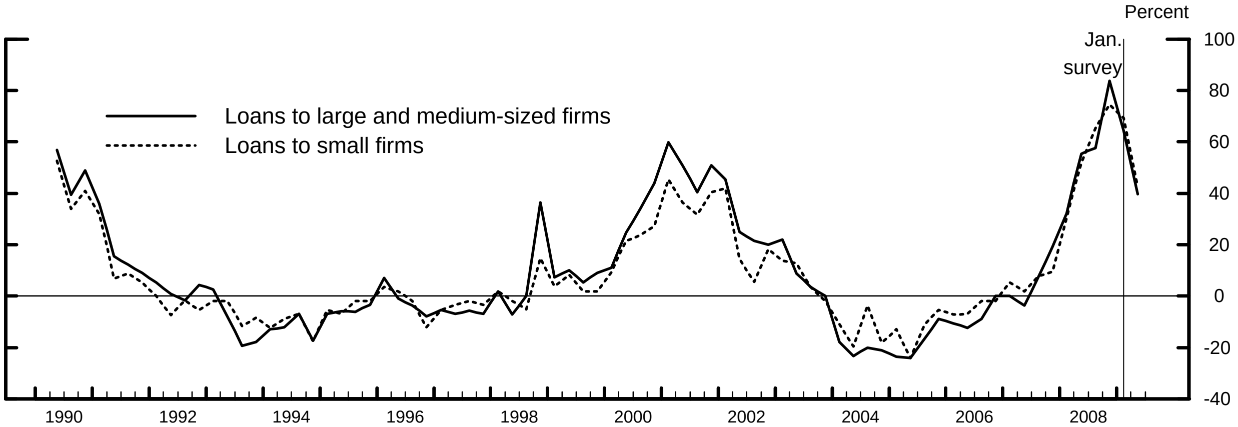
The outlook for loan quality in 2009. A set of special questions asked banks about their expectations for delinquencies and charge-offs on loans to businesses and households in 2009, under the assumption that economic activity progresses in line with consensus forecasts. The vast majority of domestic and foreign respondents indicated that they expect deterioration in credit quality for all types of business and household loans. For each major category of loans considered in the survey, more than 70 percent of respondents, on net, reported that the quality of their bank's loan portfolio is likely to deteriorate this year, with more than 90 percent of domestic respondents reporting that loan quality is likely to deteriorate for nontraditional mortgages, credit card loans, and CRE loans.

International trade finance. A final set of special questions queried both domestic and foreign respondents about their provision of international trade finance (trade credit), which may consist of letters of credit guaranteeing payment, overdraft facilities, and other mechanisms for facilitating trade. About 65 percent of domestic and 80 percent of foreign respondents reported providing such credit. About 60 percent of the domestic respondents and nearly 45 percent of the foreign respondents that provided such finance reported tightening standards or terms over the previous six months. More than 80 percent of domestic banks that reported having tightened standards or terms cited a less favorable or more uncertain economic outlook abroad, increased concern about foreign country risk, worsening industry-specific problems, reduced tolerance for risk, and a less favorable or more uncertain economic outlook in the United States as reasons for the tightening. All of the eight foreign banks that reported tightening their standards and terms on international trade finance cited a less favorable or more uncertain economic outlook in the United States and abroad and an increase in concern about foreign country risk as important reasons for the tightening. On net, about 70 percent of domestic respondents and about 10 percent of foreign respondents reported experiencing weaker demand for trade credit over the previous six months.

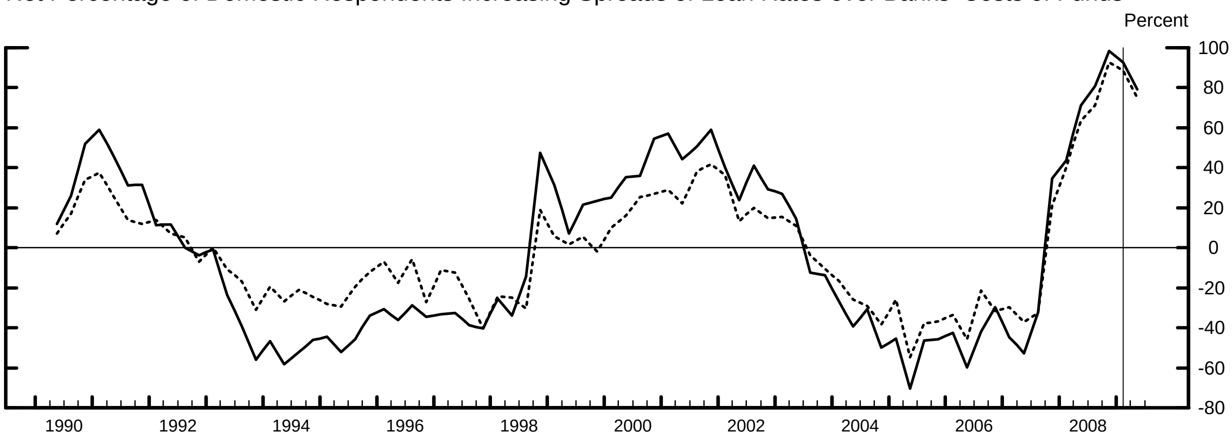
This document was prepared by John Driscoll and Seung Jung Lee with the assistance of Robert Kurtzman, Division of Monetary Affairs, Board of Governors of the Federal Reserve System.

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

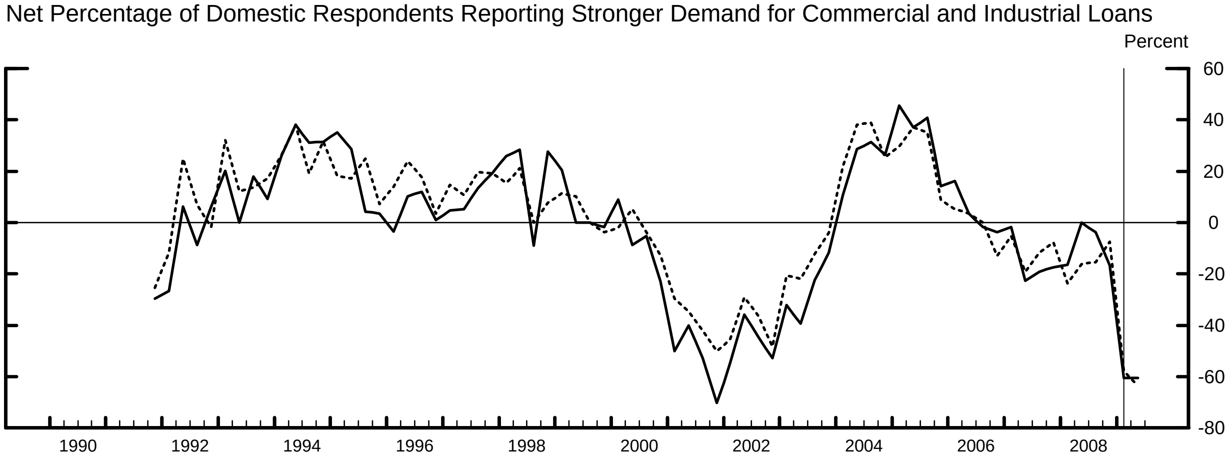
Net Percentage of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



Net Percentage of Domestic Respondents Increasing Spreads of Loan Rates over Banks' Costs of Funds

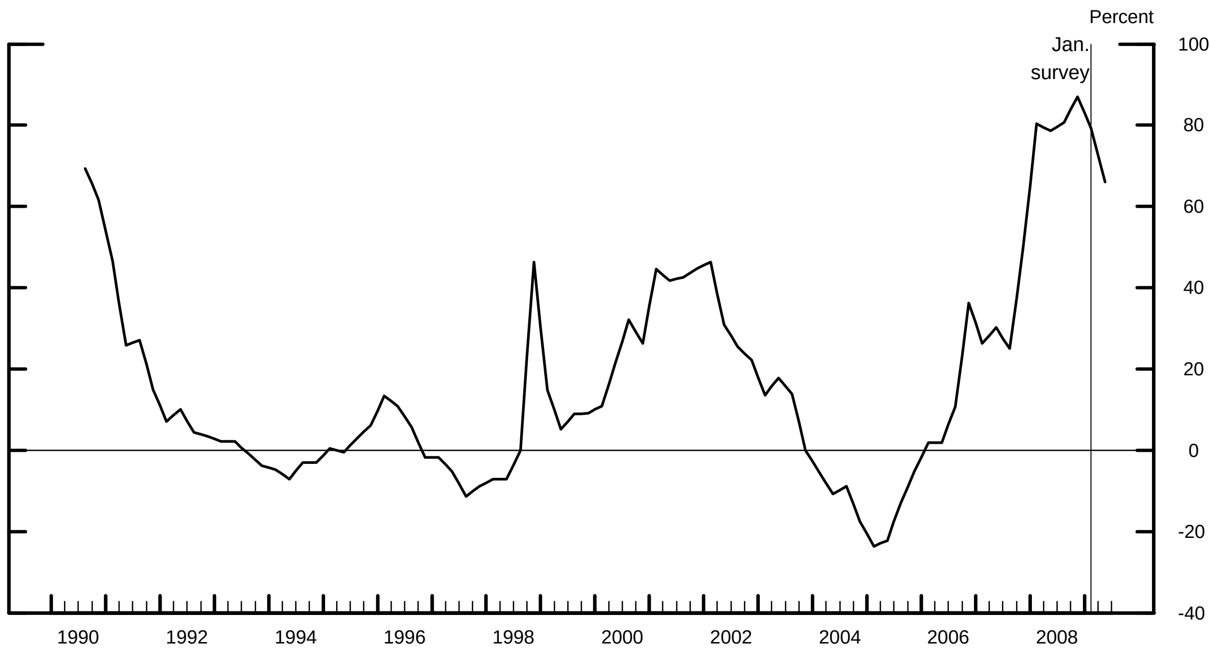


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans

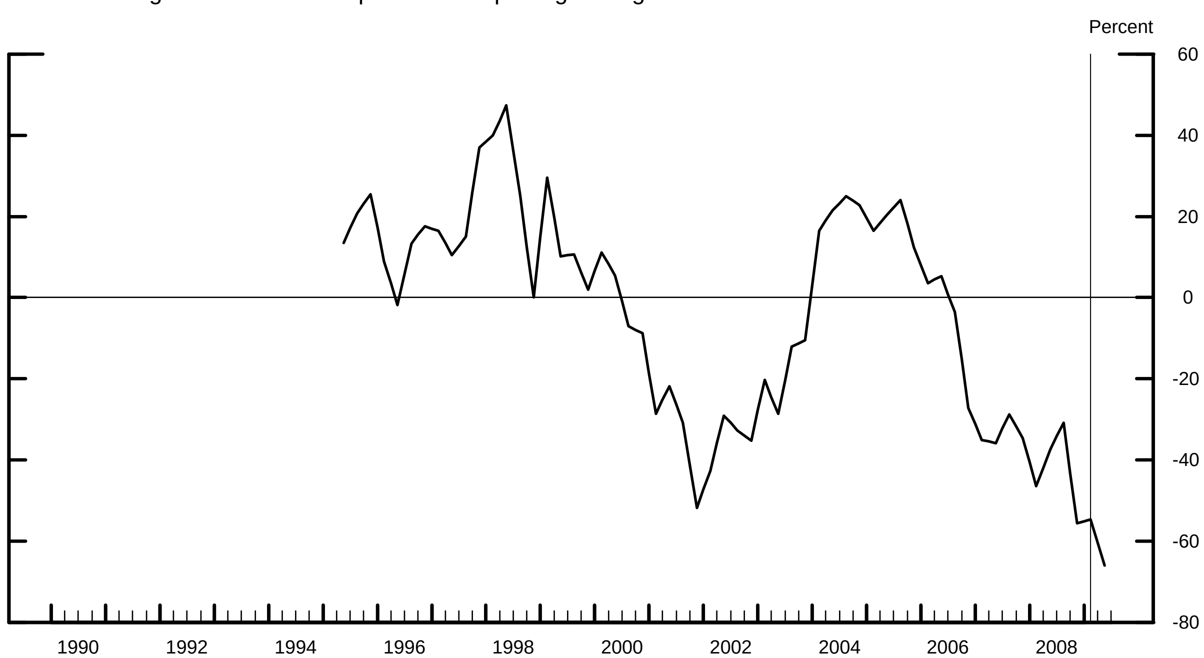


Measures of Supply and Demand for Commercial Real Estate Loans

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

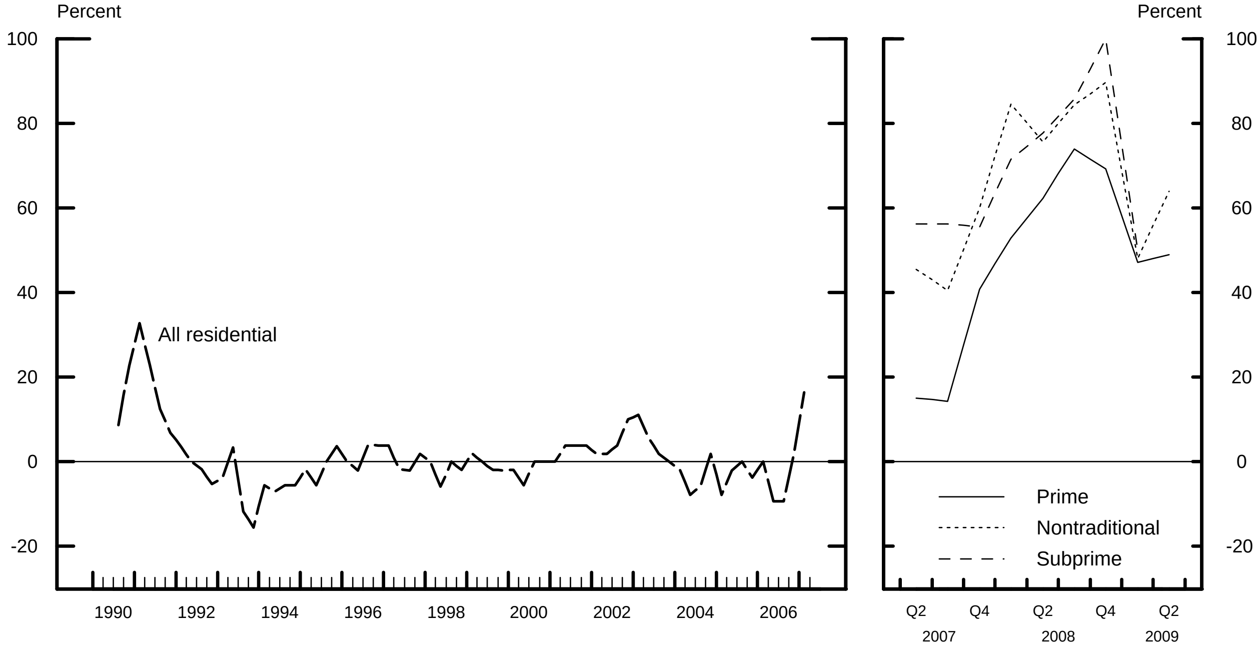


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial Real Estate Loans



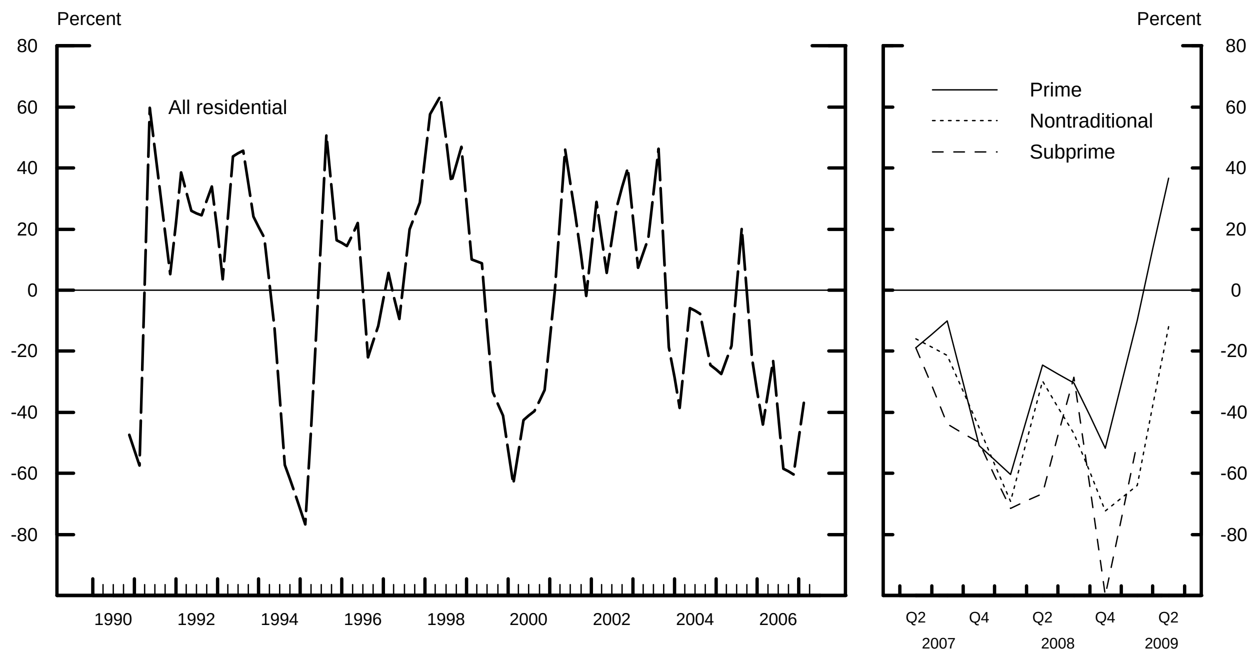
Measures of Supply and Demand for Residential Mortgage Loans

Net Percentage of Domestic Respondents Tightening Standards for Residential Mortgage Loans



Note: For data starting in 2007:Q2, changes in standards for prime, nontraditional, and subprime mortgage loans are reported separately.

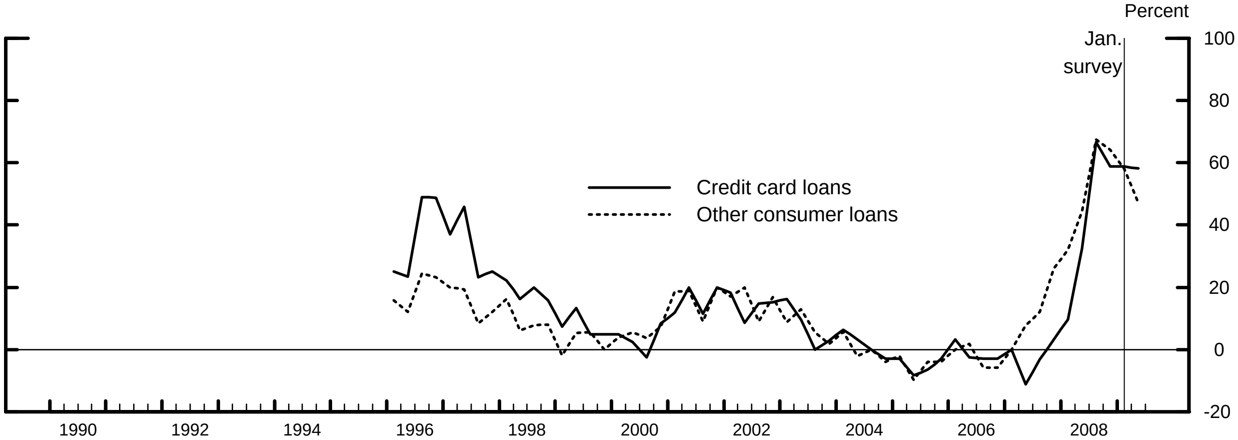
Net Percentage of Domestic Respondents Reporting Stronger Demand for Residential Mortgage Loans



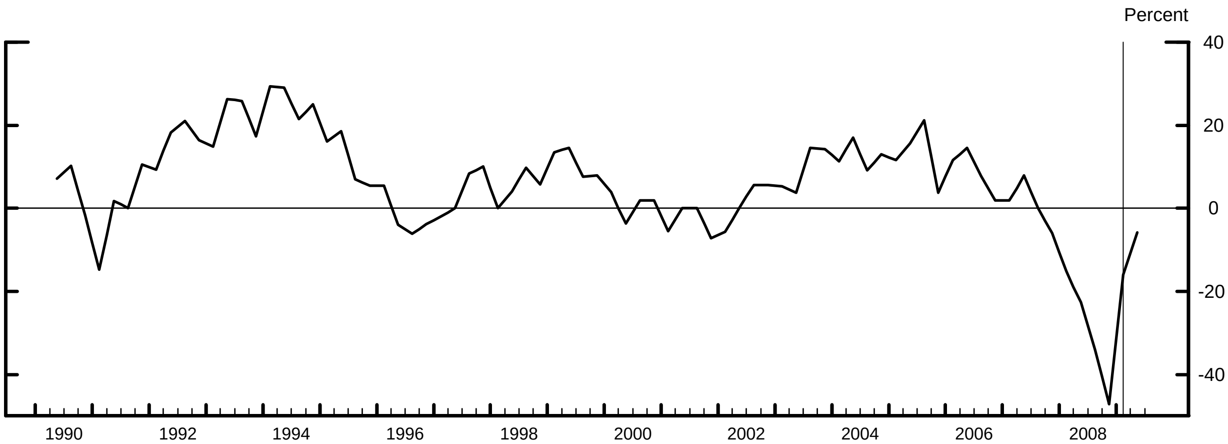
Note: For data starting in 2007:Q2, changes in demand for prime, nontraditional, and subprime mortgage loans are reported separately.

Measures of Supply and Demand for Consumer Loans

Net Percentage of Domestic Respondents Tightening Standards for Consumer Loans



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



Net Percentage of Domestic Respondents Reporting Stronger Demand for Consumer Loans

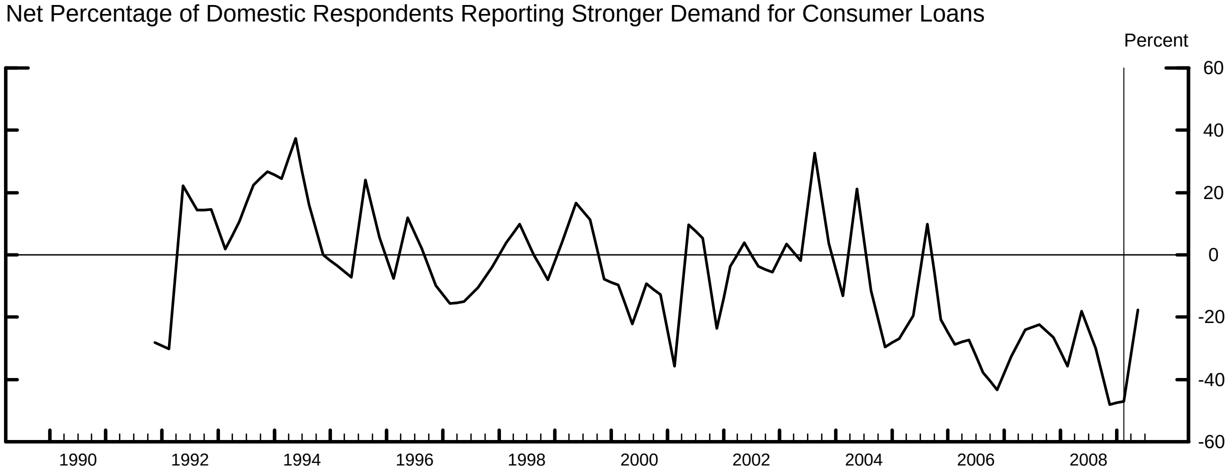


Table 1

Senior Loan Officer Opinion Survey on Bank Lending Practices at Selected Large Banks in the United States [1]

(Status of policy as of April 2009)

***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	3	5.7	2	6.7	1	4.3
Tightened somewhat	18	34.0	7	23.3	11	47.8
Remained basically unchanged	32	60.4	21	70.0	11	47.8
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	30	100.0	23	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	3	5.8	1	3.4	2	8.7
Tightened somewhat	19	36.5	9	31.0	10	43.5
Remained basically unchanged	30	57.7	19	65.5	11	47.8
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	29	100.0	23	100.0

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

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

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	4	7.5	2	6.7	2	8.7
Tightened somewhat	19	35.8	10	33.3	9	39.1
Remained basically unchanged	29	54.7	17	56.7	12	52.2
Eased somewhat	1	1.9	1	3.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	30	100.0	23	100.0

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	20	37.7	11	36.7	9	39.1
Remained basically unchanged	32	60.4	18	60.0	14	60.9
Eased somewhat	1	1.9	1	3.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	30	100.0	23	100.0

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	5	9.4	3	10.0	2	8.7
Tightened somewhat	32	60.4	19	63.3	13	56.5
Remained basically unchanged	15	28.3	7	23.3	8	34.8
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	1	1.9	1	3.3	0	0.0
Total	53	100.0	30	100.0	23	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	7	13.2	3	10.0	4	17.4
Tightened somewhat	36	67.9	20	66.7	16	69.6
Remained basically unchanged	9	17.0	6	20.0	3	13.0
Eased somewhat	1	1.9	1	3.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	30	100.0	23	100.0

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	10	18.9	6	20.0	4	17.4
Tightened somewhat	27	50.9	17	56.7	10	43.5
Remained basically unchanged	16	30.2	7	23.3	9	39.1
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	30	100.0	23	100.0

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	3	5.7	1	3.3	2	8.7
Tightened somewhat	16	30.2	8	26.7	8	34.8
Remained basically unchanged	34	64.2	21	70.0	13	56.5
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	30	100.0	23	100.0

g. Collateralization requirements

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	3	5.7	1	3.3	2	8.7
Tightened somewhat	16	30.2	9	30.0	7	30.4
Remained basically unchanged	34	64.2	20	66.7	14	60.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	30	100.0	23	100.0

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

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.9	0	0.0	1	4.3
Tightened somewhat	15	28.8	8	27.6	7	30.4
Remained basically unchanged	36	69.2	21	72.4	15	65.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	29	100.0	23	100.0

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	20	38.5	10	34.5	10	43.5
Remained basically unchanged	31	59.6	18	62.1	13	56.5
Eased somewhat	1	1.9	1	3.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	29	100.0	23	100.0

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	4	7.7	2	6.9	2	8.7
Tightened somewhat	28	53.8	16	55.2	12	52.2
Remained basically unchanged	19	36.5	10	34.5	9	39.1
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	1	1.9	1	3.4	0	0.0
Total	52	100.0	29	100.0	23	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	8	15.4	2	6.9	6	26.1
Tightened somewhat	32	61.5	19	65.5	13	56.5
Remained basically unchanged	11	21.2	7	24.1	4	17.4
Eased somewhat	1	1.9	1	3.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	29	100.0	23	100.0

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	11	21.2	7	24.1	4	17.4
Tightened somewhat	24	46.2	15	51.7	9	39.1
Remained basically unchanged	17	32.7	7	24.1	10	43.5
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	29	100.0	23	100.0

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	3	5.8	1	3.4	2	8.7
Tightened somewhat	14	26.9	8	27.6	6	26.1
Remained basically unchanged	35	67.3	20	69.0	15	65.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	29	100.0	23	100.0

g. Collateralization requirements

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	3	5.8	1	3.4	2	8.7
Tightened somewhat	17	32.7	10	34.5	7	30.4
Remained basically unchanged	32	61.5	18	62.1	14	60.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	29	100.0	23	100.0

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

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	29	67.4	15	60.0	14	77.8
Somewhat important	10	23.3	8	32.0	2	11.1
Very important	4	9.3	2	8.0	2	11.1
Total	43	100.0	25	100.0	18	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	1	2.3	1	3.8	0	0.0
Somewhat important	22	50.0	11	42.3	11	61.1
Very important	21	47.7	14	53.8	7	38.9
Total	44	100.0	26	100.0	18	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	5	11.9	5	20.8	0	0.0
Somewhat important	23	54.8	10	41.7	13	72.2
Very important	14	33.3	9	37.5	5	27.8
Total	42	100.0	24	100.0	18	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	24	55.8	11	44.0	13	72.2
Somewhat important	13	30.2	9	36.0	4	22.2
Very important	6	14.0	5	20.0	1	5.6
Total	43	100.0	25	100.0	18	100.0

e. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	18.6	6	24.0	2	11.1
Somewhat important	28	65.1	16	64.0	12	66.7
Very important	7	16.3	3	12.0	4	22.2
Total	43	100.0	25	100.0	18	100.0

f. Decreased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	23	53.5	13	52.0	10	55.6
Somewhat important	13	30.2	9	36.0	4	22.2
Very important	7	16.3	3	12.0	4	22.2
Total	43	100.0	25	100.0	18	100.0

g. Increase in defaults by borrowers in public debt markets

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	28	65.1	15	60.0	13	72.2
Somewhat important	14	32.6	9	36.0	5	27.8
Very important	1	2.3	1	4.0	0	0.0
Total	43	100.0	25	100.0	18	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	35	81.4	20	80.0	15	83.3
Somewhat important	6	14.0	4	16.0	2	11.1
Very important	2	4.7	1	4.0	1	5.6
Total	43	100.0	25	100.0	18	100.0

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

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

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

b. More favorable or less uncertain economic outlook

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

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

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

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

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

e. Increased tolerance for risk

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

f. Increased liquidity in the secondary market for these loans

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

g. Reduction in defaults by borrowers in public debt markets

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

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

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

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	4	7.5	3	10.0	1	4.3
About the same	13	24.5	8	26.7	5	21.7
Moderately weaker	28	52.8	15	50.0	13	56.5
Substantially weaker	8	15.1	4	13.3	4	17.4
Total	53	100.0	30	100.0	23	100.0

B. Demand for C&I loans from small firms (annual sales of less than $50 million):

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	2	3.8	1	3.4	1	4.3
About the same	15	28.8	8	27.6	7	30.4
Moderately weaker	28	53.8	17	58.6	11	47.8
Substantially weaker	7	13.5	3	10.3	4	17.4
Total	52	100.0	29	100.0	23	100.0

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

A. If stronger loan demand (answer 1 or 2 to question 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	4	100.0	3	100.0	1	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	4	100.0	3	100.0	1	100.0

b. Customer accounts receivable financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	100.0	3	100.0	1	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	4	100.0	3	100.0	1	100.0

c. Customer investment in plant or equipment increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	100.0	3	100.0	1	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	4	100.0	3	100.0	1	100.0

d. Customer internally generated funds decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	2	50.0	1	33.3	1	100.0
Somewhat important	2	50.0	2	66.7	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	4	100.0	3	100.0	1	100.0

e. Customer merger or acquisition financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	75.0	2	66.7	1	100.0
Somewhat important	1	25.0	1	33.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	4	100.0	3	100.0	1	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	0	0.0	0	0.0	0	0.0
Somewhat important	2	50.0	1	33.3	1	100.0
Very important	2	50.0	2	66.7	0	0.0
Total	4	100.0	3	100.0	1	100.0

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

a. Customer inventory financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	6	15.4	1	4.5	5	29.4
Somewhat important	28	71.8	19	86.4	9	52.9
Very important	5	12.8	2	9.1	3	17.6
Total	39	100.0	22	100.0	17	100.0

b. Customer accounts receivable financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	6	15.4	3	13.6	3	17.6
Somewhat important	29	74.4	17	77.3	12	70.6
Very important	4	10.3	2	9.1	2	11.8
Total	39	100.0	22	100.0	17	100.0

c. Customer investment in plant or equipment decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	1	2.6	0	0.0	1	5.9
Somewhat important	20	51.3	13	59.1	7	41.2
Very important	18	46.2	9	40.9	9	52.9
Total	39	100.0	22	100.0	17	100.0

d. Customer internally generated funds increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	23	59.0	13	59.1	10	58.8
Somewhat important	14	35.9	9	40.9	5	29.4
Very important	2	5.1	0	0.0	2	11.8
Total	39	100.0	22	100.0	17	100.0

e. Customer merger or acquisition financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	20.5	3	13.6	5	29.4
Somewhat important	20	51.3	15	68.2	5	29.4
Very important	11	28.2	4	18.2	7	41.2
Total	39	100.0	22	100.0	17	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	36	92.3	21	95.5	15	88.2
Somewhat important	3	7.7	1	4.5	2	11.8
Very important	0	0.0	0	0.0	0	0.0
Total	39	100.0	22	100.0	17	100.0

6. At your bank, 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 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	17.0	4	13.3	5	21.7
The number of inquiries has stayed about the same	17	32.1	11	36.7	6	26.1
The number of inquiries has decreased moderately	21	39.6	11	36.7	10	43.5
The number of inquiries has decreased substantially	6	11.3	4	13.3	2	8.7
Total	53	100.0	30	100.0	23	100.0

Questions 7-8 *ask about commercial real estate loans at your bank, including construction and land development loans and loans secured by nonfarm nonresidential real estate. Question 7 deals with changes in your bank's standards over the past three months. Question 8 deals with changes in demand. If your bank's lending standards or terms have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's standards or terms have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	8	15.1	5	16.7	3	13.0
Tightened somewhat	27	50.9	16	53.3	11	47.8
Remained basically unchanged	18	34.0	9	30.0	9	39.1
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	30	100.0	23	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	1	1.9	0	0.0	1	4.3
Moderately stronger	2	3.8	1	3.3	1	4.3
About the same	12	22.6	6	20.0	6	26.1
Moderately weaker	19	35.8	11	36.7	8	34.8
Substantially weaker	19	35.8	12	40.0	7	30.4
Total	53	100.0	30	100.0	23	100.0

Questions 9-10 *ask about three categories of* ***residential mortgage loans*** *at your bank—prime residential mortgages, nontraditional residential mortgages, and subprime residential mortgages. Question 9 deals with changes in your bank's credit standards for loans in each of these categories over the past three months. Question 10 deals with changes in demand for loans in each of these categories over the same period. If your bank's credit standards have not changed over the relevant period, please report them as unchanged even if the standards are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

For the purposes of this survey, please use the following definitions of these loan categories (note that the loan categories are not mutually exclusive) and include first-lien loans only:

- *The* ***prime*** *category of residential mortgages includes loans made to borrowers that typically had relatively strong, well-documented credit histories, relatively high credit scores, and relatively low debt-to-income ratios at the time of origination. This would include fully amortizing loans that have a fixed rate, a standard adjustable rate, or a common hybrid adjustable rate—those for which the interest rate is initially fixed for a multi-year period and subsequently adjusts more frequently.*

- *The* ***nontraditional*** *category of residential mortgages includes, but is not limited to, adjustable-rate mortgages with multiple payment options, interest-only mortgages, and ``Alt-A'' products such as mortgages with limited income verification and mortgages secured by non-owner-occupied properties. (Please exclude standard adjustable-rate mortgages and common hybrid adjustable-rate mortgages.)*

- *The* ***subprime*** *category of residential mortgages typically includes loans made to borrowers that displayed one or more of the following characteristics at the time of origination: weakened credit histories that include payment delinquencies, chargeoffs, judgments, and/or bankruptcies; reduced repayment capacity as measured by credit scores or debt-to-income ratios; or incomplete credit histories.*

9. Over the past three months, how have your bank's credit standards for approving applications from individuals for mortgage loans to purchase homes changed?

A. Credit standards on mortgage loans that your bank categorizes as prime residential mortgages have:

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	3	6.1	2	7.4	1	4.5
Tightened somewhat	21	42.9	12	44.4	9	40.9
Remained basically unchanged	25	51.0	13	48.1	12	54.5
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	49	100.0	27	100.0	22	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	3	12.0	2	11.8	1	12.5
Tightened somewhat	13	52.0	8	47.1	5	62.5
Remained basically unchanged	9	36.0	7	41.2	2	25.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	25	100.0	17	100.0	8	100.0

For this question, 25 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

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

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	10	20.4	6	22.2	4	18.2
Moderately stronger	15	30.6	8	29.6	7	31.8
About the same	17	34.7	9	33.3	8	36.4
Moderately weaker	7	14.3	4	14.8	3	13.6
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	49	100.0	27	100.0	22	100.0

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

B. Demand for mortgages that your bank categorizes as nontraditional residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	1	4.0	1	5.9	0	0.0
Moderately stronger	3	12.0	2	11.8	1	12.5
About the same	14	56.0	10	58.8	4	50.0
Moderately weaker	3	12.0	2	11.8	1	12.5
Substantially weaker	4	16.0	2	11.8	2	25.0
Total	25	100.0	17	100.0	8	100.0

For this question, 25 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

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

Questions 11-12 *ask about* ***revolving home equity lines of credit*** *at your bank. Question 11 deals with changes in your bank's credit standards over the past three months. Question 12 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.*

11. 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	6	11.5	3	10.3	3	13.0
Tightened somewhat	20	38.5	11	37.9	9	39.1
Remained basically unchanged	26	50.0	15	51.7	11	47.8
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	29	100.0	23	100.0

12. 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	1	1.9	0	0.0	1	4.3
Moderately stronger	10	19.2	3	10.3	7	30.4
About the same	15	28.8	10	34.5	5	21.7
Moderately weaker	19	36.5	10	34.5	9	39.1
Substantially weaker	7	13.5	6	20.7	1	4.3
Total	52	100.0	29	100.0	23	100.0

***Questions 13-18** ask about consumer lending at your bank. Question 13 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 14-17 deal with changes in credit standards and loan terms over the same period. Question 18 deals 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.*

13. 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	2.0	1	3.6	0	0.0
Somewhat more willing	1	2.0	1	3.6	0	0.0
About unchanged	44	86.3	23	82.1	21	91.3
Somewhat less willing	5	9.8	3	10.7	2	8.7
Much less willing	0	0.0	0	0.0	0	0.0
Total	51	100.0	28	100.0	23	100.0

14. 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	2	6.5	2	10.5	0	0.0
Tightened somewhat	16	51.6	11	57.9	5	41.7
Remained basically unchanged	13	41.9	6	31.6	7	58.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	31	100.0	19	100.0	12	100.0

15. Over the past three months, how have your bank's credit standards for approving applications for consumer loans other than credit card loans changed?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	2	3.9	1	3.6	1	4.3
Tightened somewhat	22	43.1	16	57.1	6	26.1
Remained basically unchanged	27	52.9	11	39.3	16	69.6
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	28	100.0	23	100.0

16. 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	2	6.3	2	10.0	0	0.0
Tightened somewhat	18	56.3	10	50.0	8	66.7
Remained basically unchanged	12	37.5	8	40.0	4	33.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	32	100.0	20	100.0	12	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	2	6.3	0	0.0	2	16.7
Tightened somewhat	14	43.8	11	55.0	3	25.0
Remained basically unchanged	16	50.0	9	45.0	7	58.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	32	100.0	20	100.0	12	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	6.3	2	10.0	0	0.0
Remained basically unchanged	30	93.8	18	90.0	12	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	32	100.0	20	100.0	12	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	2	6.3	2	10.0	0	0.0
Tightened somewhat	16	50.0	10	50.0	6	50.0
Remained basically unchanged	14	43.8	8	40.0	6	50.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	32	100.0	20	100.0	12	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	5	15.6	4	20.0	1	8.3
Tightened somewhat	11	34.4	4	20.0	7	58.3
Remained basically unchanged	16	50.0	12	60.0	4	33.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	32	100.0	20	100.0	12	100.0

17. Over the past three months, how has your bank changed the following terms and conditions on consumer loans other than credit card loans? (Please assign *each* term a number between 1 and 5 using the following scale: 1=tightened considerably, 2=tightened somewhat, 3=remained basically unchanged, 4=eased somewhat, 5=eased considerably.)

a. Maximum maturity

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	2.0	1	3.7	0	0.0
Tightened somewhat	9	18.0	5	18.5	4	17.4
Remained basically unchanged	40	80.0	21	77.8	19	82.6
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	50	100.0	27	100.0	23	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	3	5.9	1	3.6	2	8.7
Tightened somewhat	23	45.1	13	46.4	10	43.5
Remained basically unchanged	22	43.1	11	39.3	11	47.8
Eased somewhat	3	5.9	3	10.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	28	100.0	23	100.0

c. Minimum required downpayment

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	2	3.9	1	3.6	1	4.3
Tightened somewhat	14	27.5	8	28.6	6	26.1
Remained basically unchanged	35	68.6	19	67.9	16	69.6
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	28	100.0	23	100.0

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	5	10.0	4	14.3	1	4.5
Tightened somewhat	18	36.0	9	32.1	9	40.9
Remained basically unchanged	27	54.0	15	53.6	12	54.5
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	50	100.0	28	100.0	22	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	6	12.0	4	14.3	2	9.1
Tightened somewhat	18	36.0	8	28.6	10	45.5
Remained basically unchanged	26	52.0	16	57.1	10	45.5
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	50	100.0	28	100.0	22	100.0

18. Apart from normal seasonal variation, how has demand for consumer loans of all types changed over the past three months?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	9	17.6	4	14.3	5	21.7
About the same	24	47.1	16	57.1	8	34.8
Moderately weaker	14	27.5	6	21.4	8	34.8
Substantially weaker	4	7.8	2	7.1	2	8.7
Total	51	100.0	28	100.0	23	100.0

19. Over the past three months, how has your bank changed the size of credit lines for existing customers with the following types of accounts? Please consider changes made to line sizes during the life of existing credit agreements as well as changes made to line sizes upon renewal or renegotiation of existing agreements. (Please rate the degree of change for each type of account using the following scale: 1=increased considerably, 2=increased somewhat, 3=remained basically unchanged, 4=decreased somewhat, 5=decreased considerably.)

a. Home equity lines of credit

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	31	59.6	16	55.2	15	65.2
Decreased somewhat	16	30.8	8	27.6	8	34.8
Decreased considerably	5	9.6	5	17.2	0	0.0
Total	52	100.0	29	100.0	23	100.0

b. Consumer credit card accounts

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	1	3.0	1	4.8	0	0.0
Remained basically unchanged	14	42.4	9	42.9	5	41.7
Decreased somewhat	14	42.4	7	33.3	7	58.3
Decreased considerably	4	12.1	4	19.0	0	0.0
Total	33	100.0	21	100.0	12	100.0

c. Business credit card accounts

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	1	2.8	1	4.2	0	0.0
Remained basically unchanged	23	63.9	13	54.2	10	83.3
Decreased somewhat	10	27.8	8	33.3	2	16.7
Decreased considerably	2	5.6	2	8.3	0	0.0
Total	36	100.0	24	100.0	12	100.0

d. C&I credit lines (excluding business credit card accounts)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	28	59.6	14	56.0	14	63.6
Decreased somewhat	19	40.4	11	44.0	8	36.4
Decreased considerably	0	0.0	0	0.0	0	0.0
Total	47	100.0	25	100.0	22	100.0

e. Commercial construction lines of credit

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	1	2.2	1	4.2	0	0.0
Remained basically unchanged	19	42.2	8	33.3	11	52.4
Decreased somewhat	18	40.0	11	45.8	7	33.3
Decreased considerably	7	15.6	4	16.7	3	14.3
Total	45	100.0	24	100.0	21	100.0

f. Lines of credit for financial firms

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	18	47.4	9	40.9	9	56.3
Decreased somewhat	15	39.5	11	50.0	4	25.0
Decreased considerably	5	13.2	2	9.1	3	18.8
Total	38	100.0	22	100.0	16	100.0

In recent quarters, loan delinquencies and chargeoffs have continued to increase. ***Questions 20-21*** *ask about your bank's expectations for the behavior of these measures of loan quality in 2009.*

20. Assuming that economic activity progresses in line with consensus forecasts, what is your bank's outlook for delinquencies and chargeoffs on existing **loans to businesses** in 2009?

A. Outlook for loan quality on C&I loans:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	7	13.5	5	17.2	2	8.7
Loan quality is likely to deteriorate somewhat	37	71.2	18	62.1	19	82.6
Loan quality is likely to deteriorate substantially	8	15.4	6	20.7	2	8.7
Total	52	100.0	29	100.0	23	100.0

B. Outlook for loan quality on commercial real estate loans:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	1	2.0	1	3.4	0	0.0
Loan quality is likely to stabilize around current levels	3	5.9	2	6.9	1	4.5
Loan quality is likely to deteriorate somewhat	34	66.7	16	55.2	18	81.8
Loan quality is likely to deteriorate substantially	13	25.5	10	34.5	3	13.6
Total	51	100.0	29	100.0	22	100.0

For this question, 1 respondents answered "My bank does not originate this type of loan."

21. Assuming that economic activity progresses in line with consensus forecasts, what is your bank's outlook for delinquencies and chargeoffs on existing **loans to households** in 2009?

A. Outlook for loan quality on prime residential mortgage loans:

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	1	2.0	0	0.0	1	4.5
Loan quality is likely to stabilize around current levels	7	14.0	3	10.7	4	18.2
Loan quality is likely to deteriorate somewhat	39	78.0	22	78.6	17	77.3
Loan quality is likely to deteriorate substantially	3	6.0	3	10.7	0	0.0
Total	50	100.0	28	100.0	22	100.0

For this question, 2 respondents answered "My bank does not originate this type of loan."

B. Outlook for loan quality on nontraditional residential mortgage loans:

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	2	7.4	1	5.6	1	11.1
Loan quality is likely to deteriorate somewhat	23	85.2	15	83.3	8	88.9
Loan quality is likely to deteriorate substantially	2	7.4	2	11.1	0	0.0
Total	27	100.0	18	100.0	9	100.0

For this question, 24 respondents answered "My bank does not originate this type of loan."

C. Outlook for loan quality on subprime residential mortgage loans:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	2	25.0	2	33.3	0	0.0
Loan quality is likely to deteriorate somewhat	4	50.0	3	50.0	1	50.0
Loan quality is likely to deteriorate substantially	2	25.0	1	16.7	1	50.0
Total	8	100.0	6	100.0	2	100.0

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

D. Outlook for loan quality on home equity lines of credit:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	9	17.3	4	13.8	5	21.7
Loan quality is likely to deteriorate somewhat	38	73.1	22	75.9	16	69.6
Loan quality is likely to deteriorate substantially	5	9.6	3	10.3	2	8.7
Total	52	100.0	29	100.0	23	100.0

E. Outlook for loan quality on credit card loans:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	0	0.0	0	0.0	0	0.0
Loan quality is likely to stabilize around current levels	3	9.7	3	15.8	0	0.0
Loan quality is likely to deteriorate somewhat	24	77.4	14	73.7	10	83.3
Loan quality is likely to deteriorate substantially	4	12.9	2	10.5	2	16.7
Total	31	100.0	19	100.0	12	100.0

For this question, 18 respondents answered “My bank does not originate this type of loan.”

F. Outlook for loan quality on consumer loans other than credit cards:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	1	2.0	0	0.0	1	4.3
Loan quality is likely to stabilize around current levels	12	24.0	9	33.3	3	13.0
Loan quality is likely to deteriorate somewhat	36	72.0	18	66.7	18	78.3
Loan quality is likely to deteriorate substantially	1	2.0	0	0.0	1	4.3
Total	50	100.0	27	100.0	23	100.0

For this question, 2 respondents answered “My bank does not originate this type of loan.”

Questions 22-25 *ask about international trade finance at your bank. Question 22 asks whether your bank provides international trade finance. Question 23 deals with changes in your bank's standards and terms over the past six months. Questions 24-25 deal with changes in demand for such credit. 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-terms 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.*

22. Some banks provide international trade finance through letters of credit guaranteeing payment, overdraft facilities, and other mechanisms for facilitating trade. Does your bank provide international trade finance?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Yes	35	67.3	21	72.4	14	60.9
No	17	32.7	8	27.6	9	39.1
Total	52	100.0	29	100.0	23	100.0

23. If your answer to question 22 was 'Yes,' over the past six months how have your bank's credit standards and terms for providing such finance changed?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	2	5.7	2	9.5	0	0.0
Tightened somewhat	19	54.3	12	57.1	7	50.0
Remained basically unchanged	14	40.0	7	33.3	7	50.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	35	100.0	21	100.0	14	100.0

24. If your bank provides international trade finance (answer 'Yes' to question 22), and your bank has tightened or eased its credit standards or its terms for credit over the past six months (as described in question 23), how important have been the following possible reasons for the change? (Please respond to either A or B, as appropriate, and rate each possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important)

A. Possible reasons for tightening credit standards or terms:

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	16	72.7	11	73.3	5	71.4
Somewhat Important	5	22.7	4	26.7	1	14.3
Very Important	1	4.5	0	0.0	1	14.3
Total	22	100.0	15	100.0	7	100.0

b. Less favorable or more uncertain economic outlook for the United States

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	4	18.2	3	20.0	1	14.3
Somewhat Important	15	68.2	10	66.7	5	71.4
Very Important	3	13.6	2	13.3	1	14.3
Total	22	100.0	15	100.0	7	100.0

c. Less favorable or more uncertain economic outlook abroad

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	2	9.1	0	0.0	2	28.6
Somewhat Important	13	59.1	10	66.7	3	42.9
Very Important	7	31.8	5	33.3	2	28.6
Total	22	100.0	15	100.0	7	100.0

d. Increased concern about foreign country risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	2	9.1	1	6.7	1	14.3
Somewhat Important	14	63.6	10	66.7	4	57.1
Very Important	6	27.3	4	26.7	2	28.6
Total	22	100.0	15	100.0	7	100.0

e. Worsening of industry-specific problems

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	2	9.5	1	7.1	1	14.3
Somewhat Important	10	47.6	6	42.9	4	57.1
Very Important	9	42.9	7	50.0	2	28.6
Total	21	100.0	14	100.0	7	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	17	77.3	12	80.0	5	71.4
Somewhat Important	5	22.7	3	20.0	2	28.6
Very Important	0	0.0	0	0.0	0	0.0
Total	22	100.0	15	100.0	7	100.0

g. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	3	13.6	2	13.3	1	14.3
Somewhat Important	16	72.7	12	80.0	4	57.1
Very Important	3	13.6	1	6.7	2	28.6
Total	22	100.0	15	100.0	7	100.0

h. Decreased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	14	63.6	8	53.3	6	85.7
Somewhat Important	7	31.8	6	40.0	1	14.3
Very Important	1	4.5	1	6.7	0	0.0
Total	22	100.0	15	100.0	7	100.0

B. Possible reasons for easing credit standards or terms:

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	0	--	0	--	0	--
Somewhat Important	0	--	0	--	0	--
Very Important	0	--	0	--	0	--
Total	0	--	0	--	0	--

b. More favorable or less uncertain economic outlook for the United States

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	0	--	0	--	0	--
Somewhat Important	0	--	0	--	0	--
Very Important	0	--	0	--	0	--
Total	0	--	0	--	0	--

c. More favorable or less uncertain economic outlook abroad

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	0	--	0	--	0	--
Somewhat Important	0	--	0	--	0	--
Very Important	0	--	0	--	0	--
Total	0	--	0	--	0	--

d. Decreased concern about foreign country risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	0	--	0	--	0	--
Somewhat Important	0	--	0	--	0	--
Very Important	0	--	0	--	0	--
Total	0	--	0	--	0	--

e. Improvement in industry-specific problems

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	0	--	0	--	0	--
Somewhat Important	0	--	0	--	0	--
Very Important	0	--	0	--	0	--
Total	0	--	0	--	0	--

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	0	--	0	--	0	--
Somewhat Important	0	--	0	--	0	--
Very Important	0	--	0	--	0	--
Total	0	--	0	--	0	--

g. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	0	--	0	--	0	--
Somewhat Important	0	--	0	--	0	--
Very Important	0	--	0	--	0	--
Total	0	--	0	--	0	--

h. Increased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	0	--	0	--	0	--
Somewhat Important	0	--	0	--	0	--
Very Important	0	--	0	--	0	--
Total	0	--	0	--	0	--

25. If your bank provides international trade finance (answer 'Yes' to question 22), apart from normal seasonal variation, how has demand for trade credit changed over the past six 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	1	2.9	0	0.0	1	7.1
About the same	9	25.7	3	14.3	6	42.9
Moderately weaker	24	68.6	17	81.0	7	50.0
Substantially weaker	1	2.9	1	4.8	0	0.0
Total	35	100.0	21	100.0	14	100.0

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1. The sample is selected from among the largest banks in each Federal Reserve District. In the table, large banks are defined as those with total domestic assets of $20 billion or more as of December 31, 2008. The combined assets of the 31 large banks totaled $6.2 trillion, compared to $6.5 trillion for the entire panel of 56 banks, and 10.7 trillion for all domestically chartered, federally insured commercial banks.

Table 2

Senior Loan Officer Opinion Survey on Bank Lending Practices at Selected Branches and Agencies of Foreign Banks in the United States [1]

(Status of policy as of April 2009)

***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	2	8.7
Tightened somewhat	5	21.7
Remained basically unchanged	16	69.6
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	23	100.0

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

a. Maximum size of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	2	8.7
Tightened somewhat	7	30.4
Remained basically unchanged	12	52.2
Eased somewhat	2	8.7
Eased considerably	0	0.0
Total	23	100.0

b. Maximum maturity of loans or credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	2	8.7
Tightened somewhat	6	26.1
Remained basically unchanged	15	65.2
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	23	100.0

c. Costs of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	7	30.4
Tightened somewhat	8	34.8
Remained basically unchanged	8	34.8
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	23	100.0

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	6	26.1
Tightened somewhat	9	39.1
Remained basically unchanged	7	30.4
Eased somewhat	1	4.3
Eased considerably	0	0.0
Total	23	100.0

e. Premiums charged on riskier loans

	All Respondents	
	Banks	**Percent**
Tightened considerably	7	30.4
Tightened somewhat	9	39.1
Remained basically unchanged	7	30.4
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	23	100.0

f. Loan covenants

	All Respondents	
	Banks	**Percent**
Tightened considerably	2	8.7
Tightened somewhat	8	34.8
Remained basically unchanged	13	56.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	23	100.0

g. Collateralization requirements

	All Respondents	
	Banks	**Percent**
Tightened considerably	2	9.1
Tightened somewhat	6	27.3
Remained basically unchanged	14	63.6
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	22	100.0

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

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

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

	All Respondents	
	Banks	**Percent**
Not important	6	40.0
Somewhat important	9	60.0
Very important	0	0.0
Total	15	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents	
	Banks	Percent
Not important	2	13.3
Somewhat important	3	20.0
Very important	10	66.7
Total	15	100.0

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

	All Respondents	
	Banks	Percent
Not important	5	33.3
Somewhat important	5	33.3
Very important	5	33.3
Total	15	100.0

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

	All Respondents	
	Banks	Percent
Not important	9	60.0
Somewhat important	5	33.3
Very important	1	6.7
Total	15	100.0

e. Reduced tolerance for risk

	All Respondents	
	Banks	Percent
Not important	2	13.3
Somewhat important	11	73.3
Very important	2	13.3
Total	15	100.0

f. Decreased liquidity in the secondary market for these loans

	All Respondents	
	Banks	Percent
Not important	5	31.3
Somewhat important	4	25.0
Very important	7	43.8
Total	16	100.0

g. Increase in defaults by borrowers in public debt markets

	All Respondents	
	Banks	Percent
Not important	4	26.7
Somewhat important	9	60.0
Very important	2	13.3
Total	15	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	11	78.6
Somewhat important	3	21.4
Very important	0	0.0
Total	14	100.0

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

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

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

b. More favorable or less uncertain economic outlook

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

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

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

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

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

e. Increased tolerance for risk

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

f. Increased liquidity in the secondary market for these loans

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

g. Reduction in defaults by borrowers in public debt markets

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

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

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

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

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	6	26.1
About the same	11	47.8
Moderately weaker	4	17.4
Substantially weaker	2	8.7
Total	23	100.0

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

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

a. Customer inventory financing needs increased

	All Respondents	
	Banks	**Percent**
Not important	1	16.7
Somewhat important	3	50.0
Very important	2	33.3
Total	6	100.0

b. Customer accounts receivable financing needs increased

	All Respondents	
	Banks	**Percent**
Not important	2	33.3
Somewhat important	3	50.0
Very important	1	16.7
Total	6	100.0

c. Customer investment in plant or equipment increased

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

d. Customer internally generated funds decreased

	All Respondents	
	Banks	**Percent**
Not important	1	16.7
Somewhat important	5	83.3
Very important	0	0.0
Total	6	100.0

e. Customer merger or acquisition financing needs increased

	All Respondents	
	Banks	**Percent**
Not important	3	50.0
Somewhat important	2	33.3
Very important	1	16.7
Total	6	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	2	33.3
Somewhat important	3	50.0
Very important	1	16.7
Total	6	100.0

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

a. Customer inventory financing needs decreased

	All Respondents	
	Banks	**Percent**
Not important	2	33.3
Somewhat important	4	66.7
Very important	0	0.0
Total	6	100.0

b. Customer accounts receivable financing needs decreased

	All Respondents	
	Banks	**Percent**
Not important	2	33.3
Somewhat important	4	66.7
Very important	0	0.0
Total	6	100.0

c. Customer investment in plant or equipment decreased

	All Respondents	
	Banks	**Percent**
Not important	0	0.0
Somewhat important	4	66.7
Very important	2	33.3
Total	6	100.0

d. Customer internally generated funds increased

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

e. Customer merger or acquisition financing needs decreased

	All Respondents	
	Banks	**Percent**
Not important	2	33.3
Somewhat important	1	16.7
Very important	3	50.0
Total	6	100.0

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

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

6. At your bank, 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 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	7	30.4
The number of inquiries has stayed about the same	10	43.5
The number of inquiries has decreased moderately	5	21.7
The number of inquiries has decreased substantially	1	4.3
Total	23	100.0

Questions 7-8 *ask about commercial real estate loans at your bank, including construction and land development loans and loans secured by nonfarm nonresidential real estate. Question 7 deals with changes in your bank's standards over the past three months. Question 8 deals with changes in demand. If your bank's lending standards or terms have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's standards or terms have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	5	33.3
Remained basically unchanged	10	66.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	15	100.0

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

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	0	0.0
About the same	10	66.7
Moderately weaker	1	6.7
Substantially weaker	4	26.7
Total	15	100.0

9. Over the past three months, how has your bank changed the size of credit lines for existing customers with the following types of accounts? Please consider changes made to line sizes during the life of existing credit agreements as well as changes made to line sizes upon renewal or renegotiation of existing agreements. (Please rate the degree of change for each type of account using the following scale: 1=increased considerably, 2=increased somewhat, 3=remained basically unchanged, 4=decreased somewhat, 5=decreased considerably.)

a. Business credit card accounts

	All Respondents	
	Banks	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	6	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	6	100.0

b. C&I credit lines (excluding business credit card accounts)

	All Respondents	
	Banks	**Percent**
Increased considerably	1	4.8
Increased somewhat	2	9.5
Remained basically unchanged	10	47.6
Decreased somewhat	8	38.1
Decreased considerably	0	0.0
Total	21	100.0

c. Commercial construction lines of credit

	All Respondents	
	Banks	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	7.7
Remained basically unchanged	6	46.2
Decreased somewhat	6	46.2
Decreased considerably	0	0.0
Total	13	100.0

d. Lines of credit for financial firms

	All Respondents	
	Banks	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	7.1
Remained basically unchanged	6	42.9
Decreased somewhat	6	42.9
Decreased considerably	1	7.1
Total	14	100.0

In recent quarters, loan delinquencies and chargeoffs have continued to increase. ***Question 10*** *asks about your bank's expectations for the behavior of these measures of loan quality in 2009.*

10. Assuming that economic activity progresses in line with consensus forecasts, what is your bank's outlook for delinquencies and chargeoffs on existing loans to businesses in 2009?

A. Outlook for loan quality on C&I loans:

	All Respondents	
	Banks	**Percent**
Loan quality is likely to improve substantially	0	0.0
Loan quality is likely to improve somewhat	0	0.0
Loan quality is likely to stabilize around current levels	4	17.4
Loan quality is likely to deteriorate somewhat	13	56.5
Loan quality is likely to deteriorate substantially	6	26.1
Total	23	100.0

B. Outlook for loan quality on commercial real estate loans:

	All Respondents	
	Banks	**Percent**
Loan quality is likely to improve substantially	0	0.0
Loan quality is likely to improve somewhat	0	0.0
Loan quality is likely to stabilize around current levels	2	13.3
Loan quality is likely to deteriorate somewhat	5	33.3
Loan quality is likely to deteriorate substantially	8	53.3
Total	15	100.0

For this question, 4 respondents answered "My bank does not originate this type of loan."

Questions 11-14 *ask about international trade finance at your bank. Question 11 asks whether your bank provides international trade finance. Question 12 deals with changes in your bank's standards and terms over the past six months. Questions 13-14 deal with changes in demand for such credit. 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-terms 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.*

11. Some banks provide international trade finance through letters of credit guaranteeing payment, overdraft facilities, and other mechanisms for facilitating trade. Does your bank provide international trade finance?

	All Respondents	
	Banks	**Percent**
Yes	18	81.8
No	4	18.2
Total	22	100.0

12. If your answer to question 11 was 'Yes,' over the past six months how have your bank's credit standards and terms for providing such finance changed?

	All Respondents	
	Banks	**Percent**
Tightened considerably	2	11.1
Tightened somewhat	6	33.3
Remained basically unchanged	10	55.6
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	18	100.0

13. If your bank provides international trade finance (answer 'Yes' to question 11), and your bank has tightened or eased its credit standards or its terms for credit over the past six months (as described in question 12), how important have been the following possible reasons for the change? (Please respond to either A or B, as appropriate, and rate each possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important)

A. Possible reasons for tightening credit standards or terms:

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

	All Respondents	
	Banks	**Percent**
Not Important	3	37.5
Somewhat Important	4	50.0
Very Important	1	12.5
Total	8	100.0

b. Less favorable or more uncertain economic outlook for the United States

	All Respondents	
	Banks	**Percent**
Not Important	0	0.0
Somewhat Important	8	100.0
Very Important	0	0.0
Total	8	100.0

c. Less favorable or more uncertain economic outlook abroad

	All Respondents	
	Banks	**Percent**
Not Important	0	0.0
Somewhat Important	5	62.5
Very Important	3	37.5
Total	8	100.0

d. Increased concern about foreign country risk

	All Respondents	
	Banks	Percent
Not Important	0	0.0
Somewhat Important	7	87.5
Very Important	1	12.5
Total	8	100.0

e. Worsening of industry-specific problems

	All Respondents	
	Banks	Percent
Not Important	2	25.0
Somewhat Important	6	75.0
Very Important	0	0.0
Total	8	100.0

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

	All Respondents	
	Banks	Percent
Not Important	7	87.5
Somewhat Important	1	12.5
Very Important	0	0.0
Total	8	100.0

g. Reduced tolerance for risk

	All Respondents	
	Banks	**Percent**
Not Important	1	12.5
Somewhat Important	6	75.0
Very Important	1	12.5
Total	8	100.0

h. Decreased liquidity in the secondary market for these loans

	All Respondents	
	Banks	**Percent**
Not Important	4	50.0
Somewhat Important	3	37.5
Very Important	1	12.5
Total	8	100.0

B. Possible reasons for easing credit standards or terms:

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

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

b. More favorable or less uncertain economic outlook for the United States

	All Respondents	
	Banks	Percent
Not Important	0	--
Somewhat Important	0	--
Very Important	0	--
Total	0	--

c. More favorable or less uncertain economic outlook abroad

	All Respondents	
	Banks	Percent
Not Important	0	--
Somewhat Important	0	--
Very Important	0	--
Total	0	--

d. Decreased concern about foreign country risk

	All Respondents	
	Banks	Percent
Not Important	0	--
Somewhat Important	0	--
Very Important	0	--
Total	0	--

e. Improvement in industry-specific problems

	All Respondents	
	Banks	Percent
Not Important	0	--
Somewhat Important	0	--
Very Important	0	--
Total	0	--

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

	All Respondents	
	Banks	Percent
Not Important	0	--
Somewhat Important	0	--
Very Important	0	--
Total	0	--

g. Increased tolerance for risk

	All Respondents	
	Banks	Percent
Not Important	0	--
Somewhat Important	0	--
Very Important	0	--
Total	0	--

h. Increased liquidity in the secondary market for these loans

	All Respondents	
	Banks	Percent
Not Important	0	--
Somewhat Important	0	--
Very Important	0	--
Total	0	--

14. If your bank provides international trade finance (answer 'Yes' to question 11), apart from normal seasonal variation, how has demand for trade credit changed over the past six months?

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	4	22.2
About the same	8	44.4
Moderately weaker	4	22.2
Substantially weaker	2	11.1
Total	18	100.0

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1. As of December 31, 2008, the 23 respondents had combined assets of $1.0 trillion, compared to $1.9 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.