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DIVISION OF MONETARY AFFAIRS

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TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

Enclosed for distribution to respondents is a national summary of the April 2010 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 2010 Senior Loan Officer Opinion Survey on Bank Lending Practices

The April 2010 Senior Loan Officer Opinion Survey on Bank Lending Practices addressed changes in the supply of, and demand for, bank loans to businesses and households over the past three months. The survey included three sets of special questions. The first set asked banks about lending policies regarding business credit card accounts for use by small firms. The second set queried banks about the use of loan extensions on commercial real estate loans. The last set asked banks about the effects on their lending standards and terms of the adoption of new accounting standards issued by the Financial Accounting Standards Board. This summary is based on responses from 56 domestic banks and 23 U.S. branches and agencies of foreign banks.[1]

The April survey indicated that most banks kept their lending standards unchanged in the first quarter, but that moderate net fractions of banks further tightened many terms on loans to businesses and households. For almost all loan categories for which the survey indicated a further net tightening of credit standards, the fraction of banks that reported having done so edged down and in a few categories banks eased standards, on net.[2] The survey also indicated that loan demand generally weakened further.

Most of the banks that reported having eased some lending policies in the April survey were large banks.[3] A number of large domestic banks eased standards and some terms on commercial and industrial (C&I) loans to large and middle-market firms. Branches and agencies of foreign banks also reported easing standards and terms on C&I loans, on net. However, standards on C&I loans to small firms were roughly unchanged, and terms on such loans were tightened further over the past three months. Turning to lending to households, large bank respondents eased standards, on balance, for both prime residential mortgages and home equity lines of credit, while other banks tightened standards for both categories of lending. On net, large domestic banks accounted for an easing of standards on non-credit-card consumer loans. In contrast, modest net fractions of large and other domestic banks continued to tighten standards and terms on credit card loans over the past three months.

Domestic survey respondents indicated that demand weakened further for all loan types. A decline in demand for prime residential real estate loans was reported by a larger net fraction of domestic banks than in the January survey, but for other types of loans the net

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[1] Respondent banks received the survey on or after March 30, 2010, and their responses were due on April 13, 2010.

[2] For questions that ask about lending standards or terms, reported net percentages equal the percentage of banks that reported tightening standards ("tightened considerably" or "tightened somewhat") minus the percentage of banks that reported easing standards ("eased considerably" or "eased somewhat"). For questions that ask about demand, reported net fractions equal the percentage of banks that reported stronger demand ("substantially stronger" or "moderately stronger") minus the percentage of banks that reported weaker demand ("substantially weaker" or "moderately weaker").

[3] Large banks are institutions with more than $20 billion in total assets as reported on the December 31, 2009, Call Report.

fractions of banks that reported weaker demand continued to wane. Indeed, branches and agencies of foreign banks reported an increase in demand for C&I loans, on net, over the past three months.

Lending to Businesses
(Table 1, questions 1-13, 24; Table 2, questions 1-10)

Questions on commercial and industrial lending. On balance, a small net fraction of banks reported easing their lending standards on C&I loans to large and medium-sized firms. The previous survey in January showed the first net easing of standards on such loans since the onset of the financial crisis in the summer of 2007. While the net fraction of banks that eased standards on these loans in the April survey increased only slightly, the latest survey marked the first time since 2006 that banks reportedly eased standards in two consecutive quarters. However, standards likely remain quite stringent following the prolonged and widespread tightening that took place over the past few years.

Among domestic institutions, large banks were responsible for the reported easing of standards to larger C&I borrowers. None of the smaller banks, which compose roughly half of the respondent panel, indicated that they had eased their standards on C&I loans to large firms over the past three months. On net, a small fraction of branches and agencies of foreign banks participating in the survey reported easing standards on C&I loans. Large domestic banks also eased some terms on C&I loans for large and middle-market firms, on net, as did the foreign branches and agencies. On balance, the large domestic institutions mostly trimmed their pricing terms, including the cost of credit lines and the spreads of loan rates over their costs of funds, while the branches and agencies eased each of the seven surveyed C&I lending terms, on net.

When asked about standards on C&I loans to smaller firms, almost all domestic banks, regardless of size, reported little change. However, net fractions of domestic institutions reported tightening terms on C&I loans extended to smaller firms. This reported tightening of terms was more prevalent at smaller banks. Notably, the net fraction of banks that had increased premiums on loans to riskier borrowers remained fairly elevated in the April survey.

According to the survey, the three factors that exerted the greatest influence on banks' C&I lending policies over the past three months were competitive pressures, the economic outlook, and tolerance for risk in the C&I loan market. In particular, domestic banks that eased their C&I lending standards pointed to increased competition from other banks or nonbank sources of credit as an important factor in their decision. Also, about two-thirds of such banks cited a more favorable or less uncertain economic outlook. Only a few banks reported having eased lending policies in response to an increased tolerance for risk. By contrast, banks that tightened standards or terms on C&I loans generally indicated that they viewed the economic outlook as less favorable or more uncertain and also reported further reductions in their tolerance for risk.

Small net fractions of banks reported that demand for C&I loans from large and middle-market firms and from small firms weakened further over the past three months. The reported weakening in loan demand was concentrated at smaller domestic banks, while large domestic banks reported little change in demand on net. A moderate net fraction of foreign banks indicated that demand for C&I loans strengthened over the same period. Nearly all of the domestic respondents that reported weaker demand cited borrowers' reduced need to finance plant and equipment investment, and large majorities also indicated that demand for inventory and accounts receivable financing declined. Among the domestic banks that reported increased demand for C&I loans, the most commonly cited reasons were increased needs to finance inventories and accounts receivable and a pickup in mergers and acquisitions. About half of those banks also reported having seen a shift of demand to their bank from other sources of external finance.

Special questions on credit card loans to small firms. The April survey included a set of special questions that asked domestic banks about standards and terms on credit cards for use by small firms. A majority of respondents indicated that their standards for approving such business credit card accounts are currently tighter than the longer-run average level that prevailed before the crisis. In addition, significant net fractions of respondents to these special questions indicated that their banks had tightened their terms on business credit card loans to small firms—for both new and existing accounts—over the past six months.

Questions on commercial real estate lending. A significant number of domestic banks, on balance, continued to report having tightened standards on CRE loans. However, this net fraction was considerably smaller than in the January survey. As in the previous survey, domestic banks reported weaker demand for CRE loans, on net. However, in the latest survey, the net fraction of banks reporting weaker demand moved below 10 percent for the first time since the financial crisis began. In contrast, branches and agencies of foreign banks reported no change in CRE lending standards, on balance, and a small net fraction of these respondents experienced an increase in demand for CRE loans.

Special question on the use of CRE loan extensions. In response to a special question, sizable fractions of both domestic and foreign respondents reported having increased their use of CRE loan extensions over the previous six months.[4] Only two domestic banks and one foreign bank reported having reduced their use of loan extensions during that period.

Lending to Households
(Table 1, questions 14-24)

Questions on residential real estate lending. With regard to loans secured by residential real estate, most banks reported essentially no change in their standards on prime and nontraditional mortgages over the past three months. The April survey results

[4] Survey respondents were instructed that for the purposes of the special question, a loan extension was to be defined as a modification of a loan at or near the end of the original term that extends the term of the loan, as opposed to a newly underwritten loan used to refinance a maturing loan.

included the first net easing of standards on home equity lines of credit since the question was first asked in January 2008. Compared with the January survey, a more sizable fraction of banks indicated that demand for prime mortgages weakened over the past three months and a fairly large net fraction of banks also reported that demand for home equity loans weakened over the survey period.

Questions on consumer lending. On balance, domestic banks reported tightening their lending standards and terms for credit cards, but their lending stance toward other consumer loans eased. A small net fraction of banks reported having tightened standards for credit cards, and moderate fractions reported having reduced credit limits and increased spreads of interest rates charged on outstanding credit card balances. The further tightening of standards and terms on credit card loans, however, did not carry over into other consumer loans, as small net fractions of banks reported having eased standards and reduced spreads for such loans. Moreover, the net fraction of banks that reported an increased willingness to make consumer installment loans increased again. As in recent quarters, a moderate net fraction of respondents reported weaker demand for consumer loans of all types.

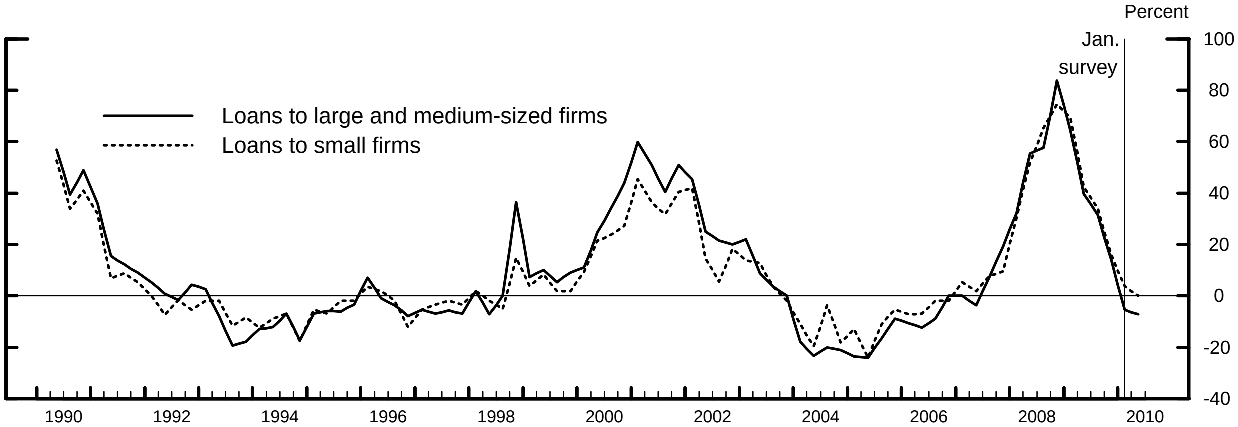
Special question on Statements of Financial Accounting Standards Nos. 166 and 167 (FAS 166 and 167). A final special question on the April survey asked banks whether their lending policies for businesses and households had changed in response to FAS 166 and 167, new accounting rules that most banking institutions adopted with their first-quarter financial statements.[5] No respondents to this question indicated that their banks' lending standards and terms had changed as a result of the new rules.

This document was prepared by Mary Beth Chosak with the assistance of Michael Levere, Division of Monetary Affairs, Board of Governors of the Federal Reserve System.

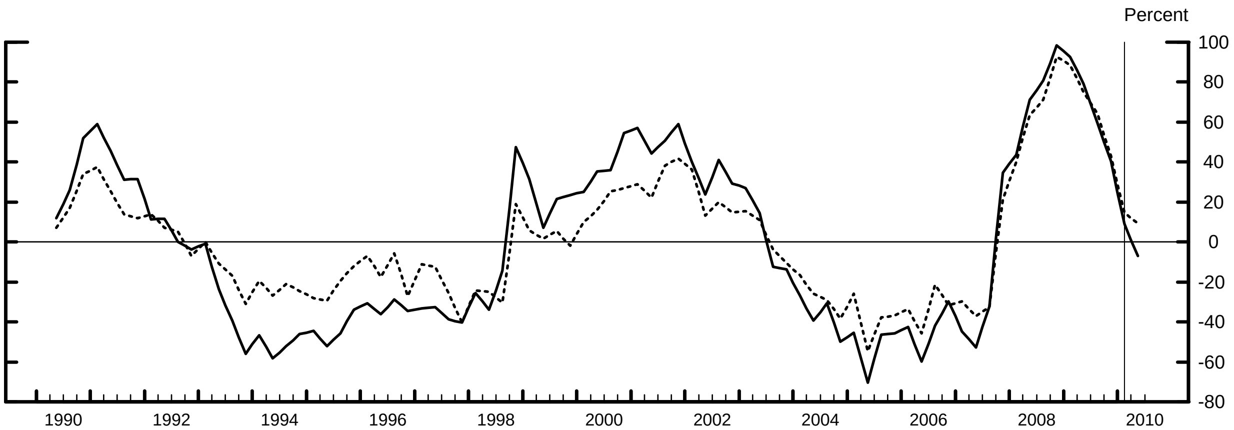
[5] Published by the Financial Accounting Standards Board in June 2009, FAS 166 and 167 eliminated the concept of a "qualifying special-purpose entity" and made achieving off-balance-sheet treatment of assets much more difficult. For more information on FAS 166 and 167, please see Financial Accounting Standards Board (2009) "FASB Issues Statements 166 and 167 Pertaining to Special Purpose Entities," news release, June 12, www.fasb.org/cs/ContentServer?c=FASBContent_C&pagename=FASB/FASBContent_C/NewsPage&cid=1176156240834.

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

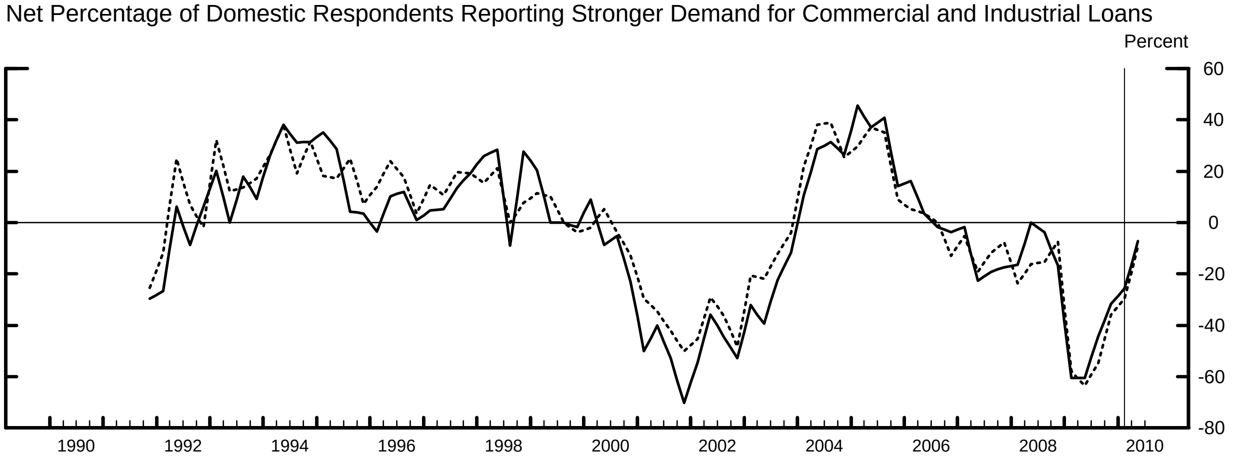
Net Percentage of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



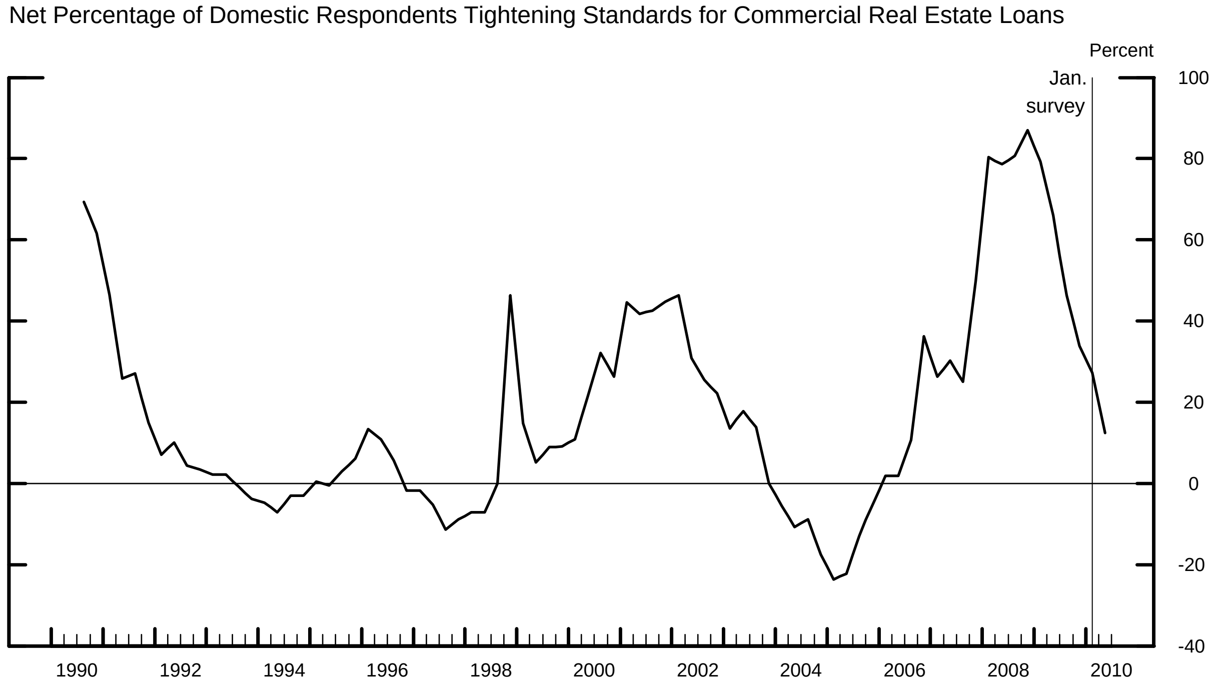
Net Percentage of Domestic Respondents Increasing Spreads of Loan Rates over Banks' Costs of Funds

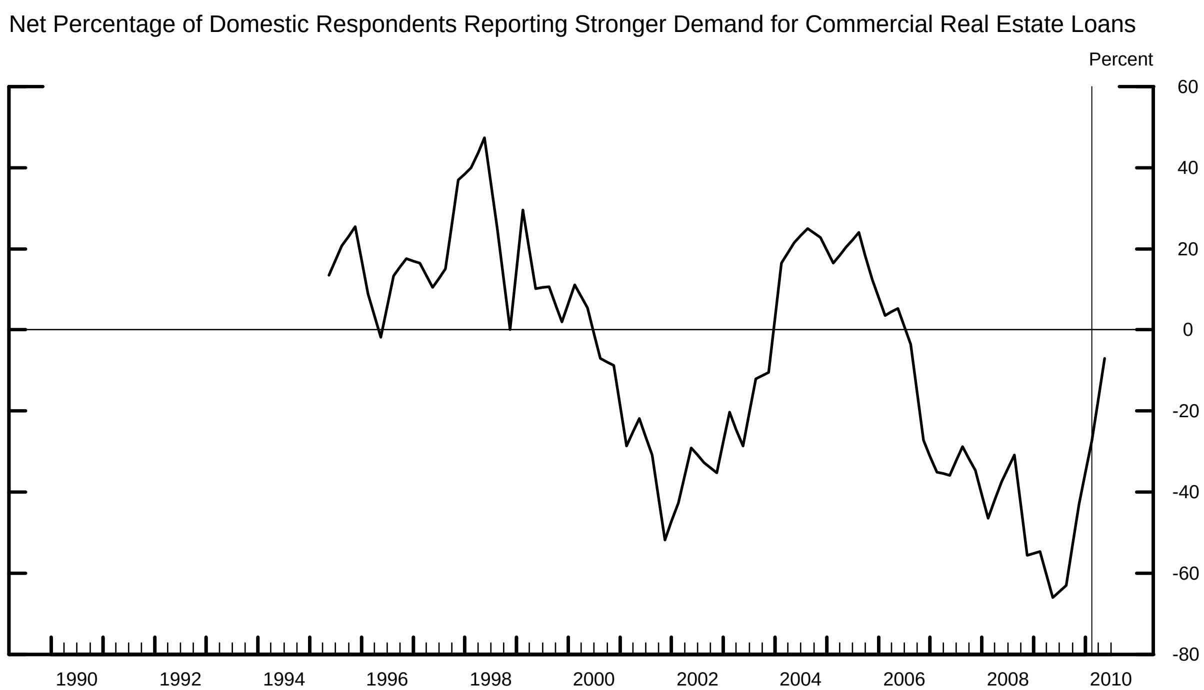


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans



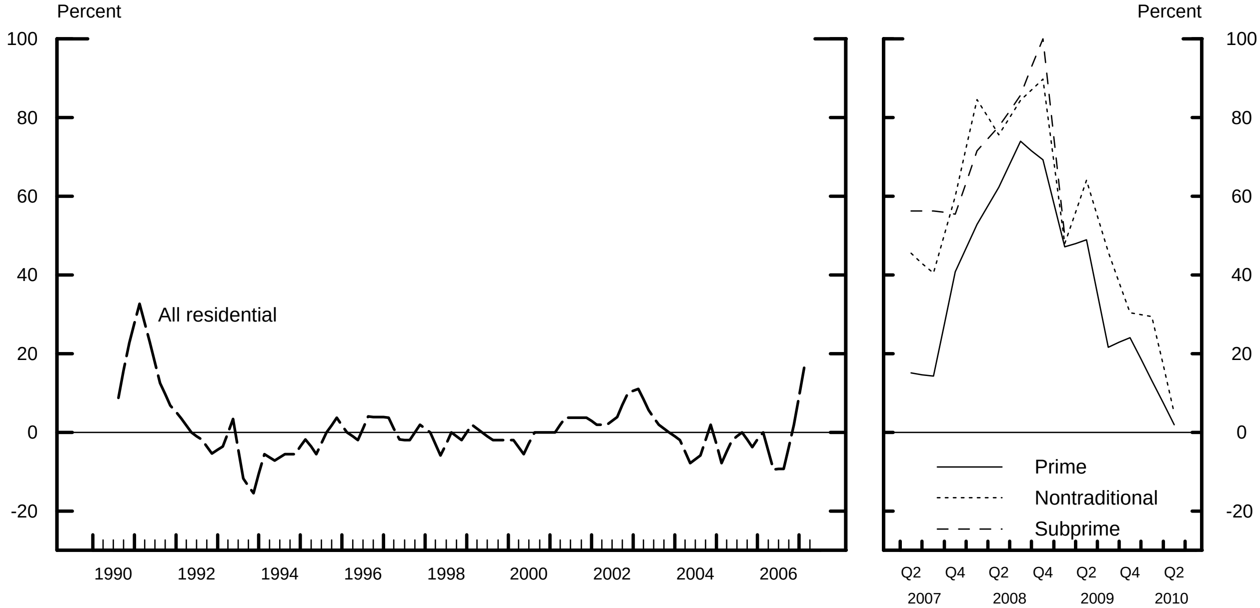
Measures of Supply and Demand for Commercial Real Estate Loans





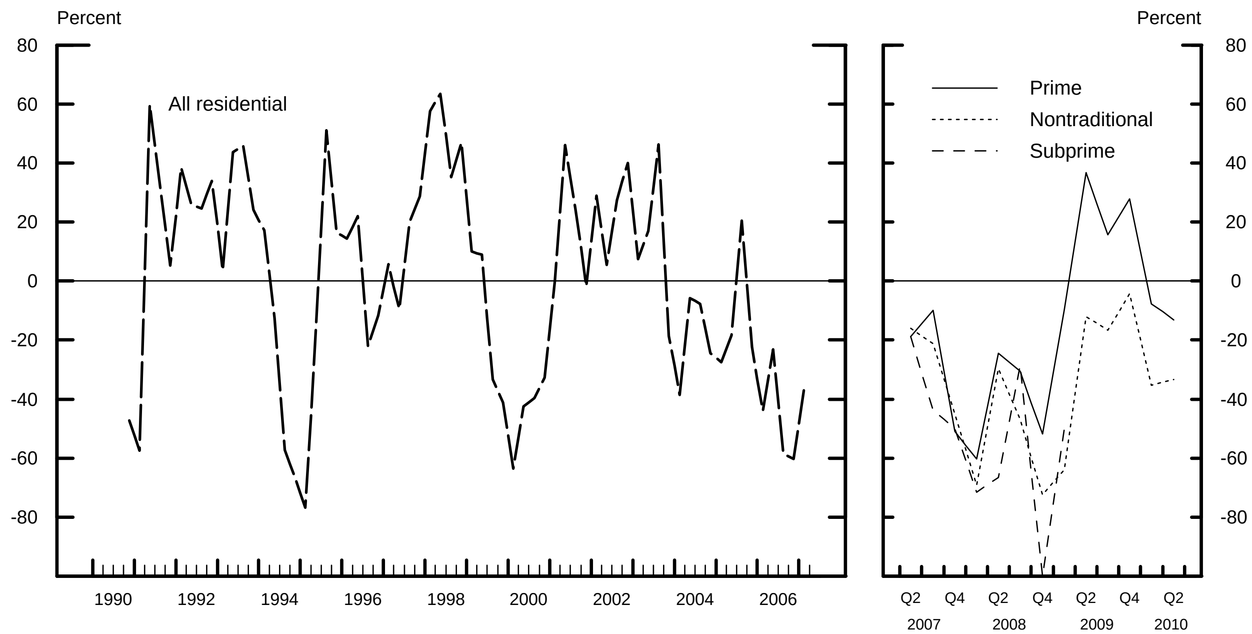
Measures of Supply and Demand for Residential Mortgage Loans

Net Percentage of Domestic Respondents Tightening Standards for Residential Mortgage Loans



Note: For data starting in 2007:Q2, changes in standards for prime, nontraditional, and subprime mortgage loans are reported separately. Series are not reported when the number of respondents is 3 or fewer.

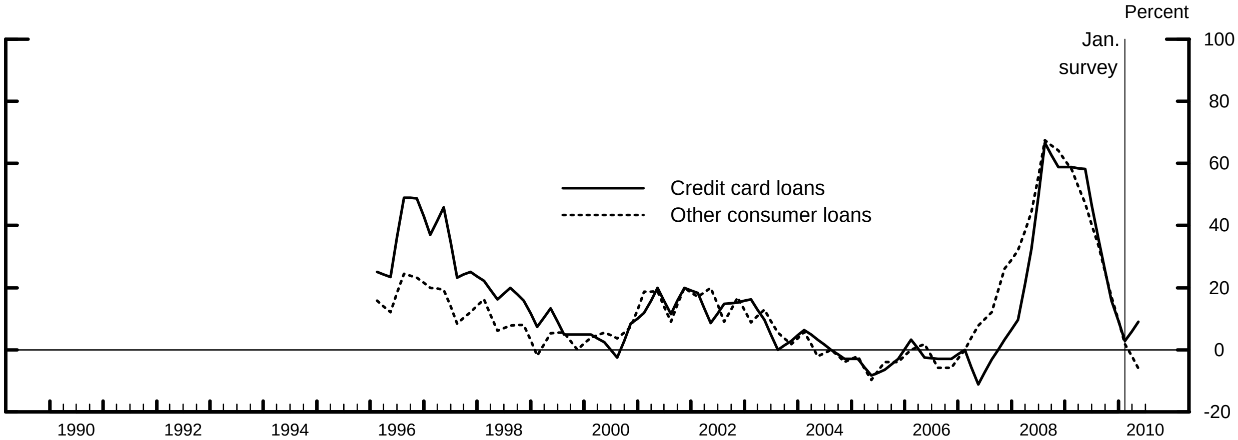
Net Percentage of Domestic Respondents Reporting Stronger Demand for Residential Mortgage Loans



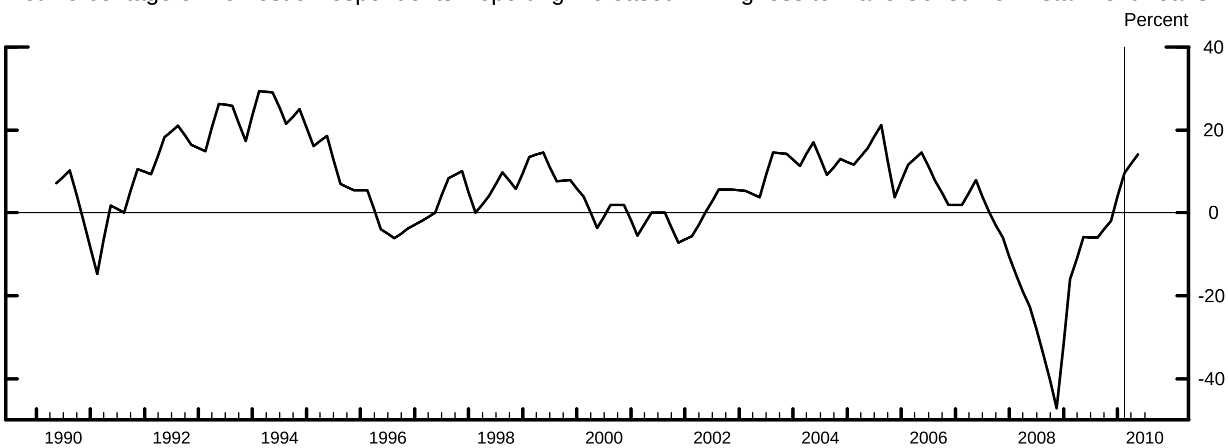
Note: For data starting in 2007:Q2, changes in demand for prime, nontraditional, and subprime mortgage loans are reported separately. Series are not reported when the number of respondents is 3 or fewer.

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

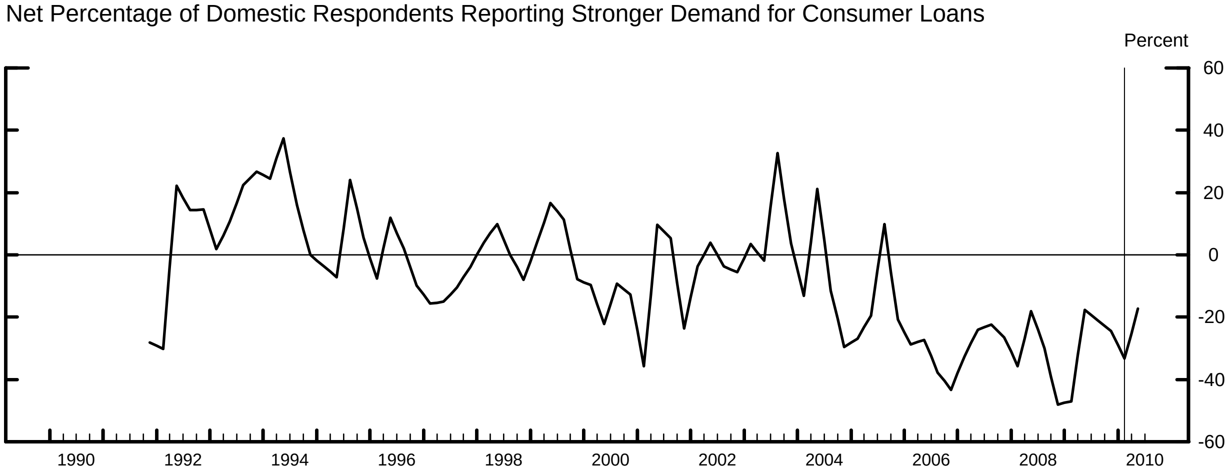


Table 1

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

(Status of policy as of April 2010)

Questions 1-6 *ask about commercial and industrial (C&I) loans at your bank. Questions 1-3 deal with changes in your bank's lending policies over the past three months. Questions 4-5 deal with changes in demand for C&I loans over the past three months. Question 6 asks about changes in prospective demand for C&I loans at your bank, as indicated by the volume of recent inquiries about the availability of new credit lines or increases in existing lines. If your bank's lending policies have not changed over the past three months, please report them as unchanged even if the policies are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies as changes in policies.*

1. Over the past three months, how have your bank's credit standards for approving applications for C&I loans or credit lines—other than those to be used to finance mergers and acquisitions—to large and middle-market firms and to small firms changed? (If your bank defines firm size differently from the categories suggested below, please use your definitions and indicate what they are.)

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.6	1	3.2	1	4.0
Remained basically unchanged	48	85.7	24	77.4	24	96.0
Eased somewhat	6	10.7	6	19.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.9	1	3.4	0	0.0
Remained basically unchanged	52	96.3	27	93.1	25	100.0
Eased somewhat	1	1.9	1	3.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

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

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

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.4	1	3.2	2	8.0
Remained basically unchanged	49	87.5	27	87.1	22	88.0
Eased somewhat	4	7.1	3	9.7	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	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	3	5.4	2	6.5	1	4.0
Remained basically unchanged	45	80.4	23	74.2	22	88.0
Eased somewhat	8	14.3	6	19.4	2	8.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	7	12.5	2	6.5	5	20.0
Remained basically unchanged	37	66.1	20	64.5	17	68.0
Eased somewhat	12	21.4	9	29.0	3	12.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	11	19.6	4	12.9	7	28.0
Remained basically unchanged	30	53.6	15	48.4	15	60.0
Eased somewhat	15	26.8	12	38.7	3	12.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.8	0	0.0	1	4.0
Tightened somewhat	11	19.6	5	16.1	6	24.0
Remained basically unchanged	40	71.4	23	74.2	17	68.0
Eased somewhat	4	7.1	3	9.7	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	8.9	2	6.5	3	12.0
Remained basically unchanged	46	82.1	26	83.9	20	80.0
Eased somewhat	5	8.9	3	9.7	2	8.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

g. Collateralization requirements

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.4	1	3.2	2	8.0
Remained basically unchanged	53	94.6	30	96.8	23	92.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

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

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.7	1	3.4	2	8.3
Remained basically unchanged	49	92.5	28	96.6	21	87.5
Eased somewhat	1	1.9	0	0.0	1	4.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	29	100.0	24	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	2	3.7	1	3.4	1	4.0
Remained basically unchanged	49	90.7	26	89.7	23	92.0
Eased somewhat	3	5.6	2	6.9	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	7	13.0	3	10.3	4	16.0
Remained basically unchanged	42	77.8	23	79.3	19	76.0
Eased somewhat	5	9.3	3	10.3	2	8.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	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	1	1.9	1	3.4	0	0.0
Tightened somewhat	11	20.4	3	10.3	8	32.0
Remained basically unchanged	35	64.8	20	69.0	15	60.0
Eased somewhat	7	13.0	5	17.2	2	8.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	2	3.7	1	3.4	1	4.0
Tightened somewhat	12	22.2	5	17.2	7	28.0
Remained basically unchanged	38	70.4	22	75.9	16	64.0
Eased somewhat	2	3.7	1	3.4	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	9.3	2	6.9	3	12.0
Remained basically unchanged	48	88.9	27	93.1	21	84.0
Eased somewhat	1	1.9	0	0.0	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

g. Collateralization requirements

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.6	1	3.4	2	8.0
Remained basically unchanged	51	94.4	28	96.6	23	92.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	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	12	75.0	5	83.3	7	70.0
Somewhat important	2	12.5	1	16.7	1	10.0
Very important	2	12.5	0	0.0	2	20.0
Total	16	100.0	6	100.0	10	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	18.8	1	16.7	2	20.0
Somewhat important	10	62.5	3	50.0	7	70.0
Very important	3	18.8	2	33.3	1	10.0
Total	16	100.0	6	100.0	10	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	7	46.7	2	40.0	5	50.0
Somewhat important	6	40.0	1	20.0	5	50.0
Very important	2	13.3	2	40.0	0	0.0
Total	15	100.0	5	100.0	10	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	13	81.3	6	100.0	7	70.0
Somewhat important	3	18.8	0	0.0	3	30.0
Very important	0	0.0	0	0.0	0	0.0
Total	16	100.0	6	100.0	10	100.0

e. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	12.5	1	16.7	1	10.0
Somewhat important	8	50.0	4	66.7	4	40.0
Very important	6	37.5	1	16.7	5	50.0
Total	16	100.0	6	100.0	10	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	9	56.3	3	50.0	6	60.0
Somewhat important	6	37.5	3	50.0	3	30.0
Very important	1	6.3	0	0.0	1	10.0
Total	16	100.0	6	100.0	10	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	14	87.5	4	66.7	10	100.0
Somewhat important	2	12.5	2	33.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	16	100.0	6	100.0	10	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	14	87.5	5	83.3	9	90.0
Somewhat important	2	12.5	1	16.7	1	10.0
Very important	0	0.0	0	0.0	0	0.0
Total	16	100.0	6	100.0	10	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	16	88.9	13	86.7	3	100.0
Somewhat important	2	11.1	2	13.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	18	100.0	15	100.0	3	100.0

b. More favorable or less uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	6	33.3	6	40.0	0	0.0
Somewhat important	10	55.6	7	46.7	3	100.0
Very important	2	11.1	2	13.3	0	0.0
Total	18	100.0	15	100.0	3	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	12	66.7	11	73.3	1	33.3
Somewhat important	6	33.3	4	26.7	2	66.7
Very important	0	0.0	0	0.0	0	0.0
Total	18	100.0	15	100.0	3	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	2	11.1	2	13.3	0	0.0
Somewhat important	8	44.4	6	40.0	2	66.7
Very important	8	44.4	7	46.7	1	33.3
Total	18	100.0	15	100.0	3	100.0

e. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	13	72.2	10	66.7	3	100.0
Somewhat important	5	27.8	5	33.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	18	100.0	15	100.0	3	100.0

f. Increased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	12	66.7	10	66.7	2	66.7
Somewhat important	5	27.8	4	26.7	1	33.3
Very important	1	5.6	1	6.7	0	0.0
Total	18	100.0	15	100.0	3	100.0

g. Reduction in defaults by borrowers in public debt markets

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	15	83.3	12	80.0	3	100.0
Somewhat important	3	16.7	3	20.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	18	100.0	15	100.0	3	100.0

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	14	77.8	13	86.7	1	33.3
Somewhat important	2	11.1	2	13.3	0	0.0
Very important	2	11.1	0	0.0	2	66.7
Total	18	100.0	15	100.0	3	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	8	14.3	6	19.4	2	8.0
About the same	36	64.3	19	61.3	17	68.0
Moderately weaker	11	19.6	5	16.1	6	24.0
Substantially weaker	1	1.8	1	3.2	0	0.0
Total	56	100.0	31	100.0	25	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	6	11.1	4	13.8	2	8.0
About the same	37	68.5	20	69.0	17	68.0
Moderately weaker	9	16.7	3	10.3	6	24.0
Substantially weaker	2	3.7	2	6.9	0	0.0
Total	54	100.0	29	100.0	25	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	3	33.3	2	28.6	1	50.0
Somewhat important	5	55.6	4	57.1	1	50.0
Very important	1	11.1	1	14.3	0	0.0
Total	9	100.0	7	100.0	2	100.0

b. Customer accounts receivable financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	22.2	2	28.6	0	0.0
Somewhat important	6	66.7	4	57.1	2	100.0
Very important	1	11.1	1	14.3	0	0.0
Total	9	100.0	7	100.0	2	100.0

c. Customer investment in plant or equipment increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	7	77.8	6	85.7	1	50.0
Somewhat important	2	22.2	1	14.3	1	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	100.0

d. Customer internally generated funds decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	9	100.0	7	100.0	2	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	9	100.0	7	100.0	2	100.0

e. Customer merger or acquisition financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	44.4	2	28.6	2	100.0
Somewhat important	5	55.6	5	71.4	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	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	4	44.4	2	28.6	2	100.0
Somewhat important	5	55.6	5	71.4	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	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	2	14.3	1	12.5	1	16.7
Somewhat important	12	85.7	7	87.5	5	83.3
Very important	0	0.0	0	0.0	0	0.0
Total	14	100.0	8	100.0	6	100.0

b. Customer accounts receivable financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	21.4	2	25.0	1	16.7
Somewhat important	11	78.6	6	75.0	5	83.3
Very important	0	0.0	0	0.0	0	0.0
Total	14	100.0	8	100.0	6	100.0

c. Customer investment in plant or equipment decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	1	7.1	0	0.0	1	16.7
Somewhat important	8	57.1	6	75.0	2	33.3
Very important	5	35.7	2	25.0	3	50.0
Total	14	100.0	8	100.0	6	100.0

d. Customer internally generated funds increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	5	35.7	2	25.0	3	50.0
Somewhat important	8	57.1	5	62.5	3	50.0
Very important	1	7.1	1	12.5	0	0.0
Total	14	100.0	8	100.0	6	100.0

e. Customer merger or acquisition financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	57.1	4	50.0	4	66.7
Somewhat important	5	35.7	4	50.0	1	16.7
Very important	1	7.1	0	0.0	1	16.7
Total	14	100.0	8	100.0	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		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	12	85.7	7	87.5	5	83.3
Somewhat important	1	7.1	1	12.5	0	0.0
Very important	1	7.1	0	0.0	1	16.7
Total	14	100.0	8	100.0	6	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	10	18.2	6	19.4	4	16.7
The number of inquiries has stayed about the same	36	65.5	21	67.7	15	62.5
The number of inquiries has decreased moderately	8	14.5	4	12.9	4	16.7
The number of inquiries has decreased substantially	1	1.8	0	0.0	1	4.2
Total	55	100.0	31	100.0	24	100.0

Questions 7-10 *ask about your bank's lending policies regarding business credit card accounts for use by* ***small*** *firms. For the purposes of these questions, small firms are defined as firms with annual sales of less than $50 million. If your bank defines small firms differently, please use your definitions and indicate what they are. If your bank does not issue business credit cards to small firms, please skip to question 11.*

7. Please describe how your bank's current level of standards and terms for approving applications for business credit card accounts for small firms compares to the average level of standards and terms that your bank applied over the 1998 to 2007 period (referred to below as the longer-run average level).

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
My bank's current level of standards and terms is considerably tighter than its longer-run average level	8	24.2	5	25.0	3	23.1
My bank's current level of standards and terms is somewhat tighter than its longer-run average level	15	45.5	10	50.0	5	38.5
My bank's current level of standards and terms is about the same as its longer-run average level	9	27.3	5	25.0	4	30.8
My bank's current level of standards and terms is somewhat looser than its longer-run average level	1	3.0	0	0.0	1	7.7
My bank's current level of standards and terms is considerably looser than its longer-run average level	0	0.0	0	0.0	0	0.0
Total	33	100.0	20	100.0	13	100.0

8. Over the past six months, how has your bank changed the following terms and conditions on new or existing business credit card accounts for small firms?

A. Terms for *new* business credit card accounts for small firms:

a. Credit limits (lower limits=tightened, higher limits=eased)

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	2.9	0	0.0	1	7.1
Tightened somewhat	10	29.4	7	35.0	3	21.4
Remained basically unchanged	22	64.7	13	65.0	9	64.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	1	2.9	0	0.0	1	7.1
Total	34	100.0	20	100.0	14	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	5.9	0	0.0	2	14.3
Tightened somewhat	9	26.5	9	45.0	0	0.0
Remained basically unchanged	23	67.6	11	55.0	12	85.7
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

c. Annual fees (higher fees=tightened, lower fees=eased)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	3.0	0	0.0	1	7.1
Tightened somewhat	4	12.1	3	15.8	1	7.1
Remained basically unchanged	28	84.8	16	84.2	12	85.7
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	33	100.0	19	100.0	14	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	3	8.8	1	5.0	2	14.3
Tightened somewhat	11	32.4	8	40.0	3	21.4
Remained basically unchanged	20	58.8	11	55.0	9	64.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	3	8.8	1	5.0	2	14.3
Tightened somewhat	9	26.5	6	30.0	3	21.4
Remained basically unchanged	22	64.7	13	65.0	9	64.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

B. Terms for *existing* business credit card accounts for small firms:

a. Credit limits (lower limits=tightened, higher limits=eased)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	2	5.9	1	5.0	1	7.1
Tightened somewhat	7	20.6	5	25.0	2	14.3
Remained basically unchanged	23	67.6	13	65.0	10	71.4
Eased somewhat	1	2.9	1	5.0	0	0.0
Eased considerably	1	2.9	0	0.0	1	7.1
Total	34	100.0	20	100.0	14	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	5.9	0	0.0	2	14.3
Tightened somewhat	8	23.5	7	35.0	1	7.1
Remained basically unchanged	24	70.6	13	65.0	11	78.6
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

c. Annual fees (higher fees=tightened, lower fees=eased)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	2.9	0	0.0	1	7.1
Tightened somewhat	3	8.8	2	10.0	1	7.1
Remained basically unchanged	30	88.2	18	90.0	12	85.7
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

d. The frequency with which active accounts are closed (increased frequency=tightened, reduced frequency=eased)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	2.9	0	0.0	1	7.1
Tightened somewhat	8	23.5	6	30.0	2	14.3
Remained basically unchanged	24	70.6	13	65.0	11	78.6
Eased somewhat	1	2.9	1	5.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

e. The frequency with which inactive accounts are closed (increased frequency=tightened, reduced frequency=eased)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	2	5.9	1	5.0	1	7.1
Tightened somewhat	9	26.5	5	25.0	4	28.6
Remained basically unchanged	22	64.7	13	65.0	9	64.3
Eased somewhat	1	2.9	1	5.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

9. Apart from normal seasonal variation, how have *revolving* balances on existing business credit card accounts of small firms changed over the past six months?

	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	10	29.4	5	25.0	5	35.7
Remained basically unchanged	17	50.0	10	50.0	7	50.0
Decreased somewhat	6	17.6	5	25.0	1	7.1
Decreased considerably	1	2.9	0	0.0	1	7.1
Total	34	100.0	20	100.0	14	100.0

10. Apart from normal seasonal variation, how has the number of applications or inquiries for new business credit card accounts or increases in existing credit card lines for small firms changed over the past six months?

	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	9	26.5	4	20.0	5	35.7
Remained basically unchanged	15	44.1	9	45.0	6	42.9
Decreased somewhat	9	26.5	7	35.0	2	14.3
Decreased considerably	1	2.9	0	0.0	1	7.1
Total	34	100.0	20	100.0	14	100.0

Questions 11-12 *ask about commercial real estate (CRE) loans at your bank, including construction and land development loans and loans secured by nonfarm nonresidential real estate. Question 11 deals with changes in your bank's standards over the past three months. Question 12 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.*

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	3	5.4	1	3.2	2	8.0
Tightened somewhat	5	8.9	1	3.2	4	16.0
Remained basically unchanged	47	83.9	28	90.3	19	76.0
Eased somewhat	1	1.8	1	3.2	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	31	100.0	25	100.0

12. Apart from normal seasonal variation, how has demand for CRE 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	8	14.3	6	19.4	2	8.0
About the same	36	64.3	21	67.7	15	60.0
Moderately weaker	10	17.9	3	9.7	7	28.0
Substantially weaker	2	3.6	1	3.2	1	4.0
Total	56	100.0	31	100.0	25	100.0

***Question 13** asks about the use of loan extensions on commercial real estate loans at your bank. For the purposes of this question, a loan extension is defined as a modification of a loan at or near the end of the original term that extends the term of the loan, as opposed to a newly underwritten loan used to refinance a maturing loan.*

13. Over the past six months, how has your use of loan extensions on commercial real estate loans changed?

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	2	3.6	1	3.2	1	4.0
Increased somewhat	24	42.9	16	51.6	8	32.0
Remained basically unchanged	28	50.0	13	41.9	15	60.0
Decreased somewhat	1	1.8	0	0.0	1	4.0
Decreased considerably	1	1.8	1	3.2	0	0.0
Total	56	100.0	31	100.0	25	100.0

Questions 14-15 *ask about three categories of* ***residential mortgage loans*** *at your bank—prime residential mortgages, nontraditional residential mortgages, and subprime residential mortgages. Question 14 deals with changes in your bank's credit standards for loans in each of these categories over the past three months. Question 15 deals with changes in demand for loans in each of these categories over the same period. If your bank's credit standards have not changed over the relevant period, please report them as unchanged even if the standards are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

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

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

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

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

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.9	1	3.4	0	0.0
Tightened somewhat	5	9.4	2	6.9	3	12.5
Remained basically unchanged	42	79.2	22	75.9	20	83.3
Eased somewhat	5	9.4	4	13.8	1	4.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	29	100.0	24	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	14.3	3	18.8	0	0.0
Remained basically unchanged	16	76.2	11	68.8	5	100.0
Eased somewhat	2	9.5	2	12.5	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	21	100.0	16	100.0	5	100.0

For this question, 33 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.

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	11	20.8	2	6.9	9	37.5
About the same	24	45.3	14	48.3	10	41.7
Moderately weaker	17	32.1	12	41.4	5	20.8
Substantially weaker	1	1.9	1	3.4	0	0.0
Total	53	100.0	29	100.0	24	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	2	9.5	2	12.5	0	0.0
About the same	10	47.6	6	37.5	4	80.0
Moderately weaker	8	38.1	7	43.8	1	20.0
Substantially weaker	1	4.8	1	6.3	0	0.0
Total	21	100.0	16	100.0	5	100.0

For this question, 33 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 16-17** ask about **revolving home equity lines of credit** at your bank. Question 16 deals with changes in your bank's credit standards over the past three months. Question 17 deals with changes in demand. If your bank's credit standards have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	4	7.3	1	3.3	3	12.0
Remained basically unchanged	44	80.0	23	76.7	21	84.0
Eased somewhat	7	12.7	6	20.0	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	6	10.9	2	6.7	4	16.0
About the same	28	50.9	20	66.7	8	32.0
Moderately weaker	19	34.5	7	23.3	12	48.0
Substantially weaker	2	3.6	1	3.3	1	4.0
Total	55	100.0	30	100.0	25	100.0

Questions 18-23 *ask about consumer lending at your bank. Question 18 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 19-22 deal with changes in credit standards and loan terms over the same period. Question 23 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.*

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Much more willing	0	0.0	0	0.0	0	0.0
Somewhat more willing	7	14.0	4	14.8	3	13.0
About unchanged	43	86.0	23	85.2	20	87.0
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	50	100.0	27	100.0	23	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	15.2	3	15.8	2	14.3
Remained basically unchanged	26	78.8	14	73.7	12	85.7
Eased somewhat	2	6.1	2	10.5	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	33	100.0	19	100.0	14	100.0

20. 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	0	0.0	0	0.0	0	0.0
Tightened somewhat	4	8.0	1	3.7	3	13.0
Remained basically unchanged	39	78.0	22	81.5	17	73.9
Eased somewhat	7	14.0	4	14.8	3	13.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	50	100.0	27	100.0	23	100.0

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	1	2.9	0	0.0	1	7.1
Tightened somewhat	9	26.5	7	35.0	2	14.3
Remained basically unchanged	22	64.7	11	55.0	11	78.6
Eased somewhat	2	5.9	2	10.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	9	26.5	6	30.0	3	21.4
Remained basically unchanged	25	73.5	14	70.0	11	78.6
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.9	0	0.0	1	7.1
Remained basically unchanged	33	97.1	20	100.0	13	92.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	4	11.8	2	10.0	2	14.3
Remained basically unchanged	29	85.3	17	85.0	12	85.7
Eased somewhat	1	2.9	1	5.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	7	20.6	2	10.0	5	35.7
Remained basically unchanged	26	76.5	17	85.0	9	64.3
Eased somewhat	1	2.9	1	5.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	20	100.0	14	100.0

22. Over the past three months, how has your bank changed the following terms and conditions on consumer loans other than credit card 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	2	4.1	1	3.7	1	4.5
Remained basically unchanged	47	95.9	26	96.3	21	95.5
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

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	2	4.1	1	3.7	1	4.5
Remained basically unchanged	39	79.6	24	88.9	15	68.2
Eased somewhat	8	16.3	2	7.4	6	27.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	49	100.0	27	100.0	22	100.0

c. Minimum required down payment

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	6.1	1	3.7	2	9.1
Remained basically unchanged	44	89.8	24	88.9	20	90.9
Eased somewhat	2	4.1	2	7.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	49	100.0	27	100.0	22	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	6.1	0	0.0	3	13.6
Remained basically unchanged	46	93.9	27	100.0	19	86.4
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

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	6	12.2	1	3.7	5	22.7
Remained basically unchanged	42	85.7	25	92.6	17	77.3
Eased somewhat	1	2.0	1	3.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	49	100.0	27	100.0	22	100.0

23. 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	7	13.5	5	18.5	2	8.0
About the same	29	55.8	18	66.7	11	44.0
Moderately weaker	16	30.8	4	14.8	12	48.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	52	100.0	27	100.0	25	100.0

24. 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.

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	47	87.0	26	89.7	21	84.0
Decreased somewhat	7	13.0	3	10.3	4	16.0
Decreased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	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	2.9	1	5.3	0	0.0
Remained basically unchanged	26	74.3	14	73.7	12	75.0
Decreased somewhat	8	22.9	4	21.1	4	25.0
Decreased considerably	0	0.0	0	0.0	0	0.0
Total	35	100.0	19	100.0	16	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	2.9	0	0.0	1	7.7
Remained basically unchanged	29	85.3	19	90.5	10	76.9
Decreased somewhat	4	11.8	2	9.5	2	15.4
Decreased considerably	0	0.0	0	0.0	0	0.0
Total	34	100.0	21	100.0	13	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	5	9.3	4	13.3	1	4.2
Remained basically unchanged	40	74.1	23	76.7	17	70.8
Decreased somewhat	9	16.7	3	10.0	6	25.0
Decreased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	30	100.0	24	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	2	3.9	2	7.4	0	0.0
Remained basically unchanged	30	58.8	16	59.3	14	58.3
Decreased somewhat	13	25.5	6	22.2	7	29.2
Decreased considerably	6	11.8	3	11.1	3	12.5
Total	51	100.0	27	100.0	24	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	2	4.4	2	8.0	0	0.0
Remained basically unchanged	33	73.3	18	72.0	15	75.0
Decreased somewhat	6	13.3	3	12.0	3	15.0
Decreased considerably	4	8.9	2	8.0	2	10.0
Total	45	100.0	25	100.0	20	100.0

In June 2009, the Financial Accounting Standards Board announced new Financial Accounting Statements No. 166 (FAS 166), "Accounting for Transfers of Financial Assets," and No. 167 (FAS 167), "Amendments to FASB Interpretation No. 46(R)," to be implemented by banks as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009.[2] ***Questions 25-26*** *ask about the effects of these new rules on your bank.*

25. How have your bank's standards and terms for loans to businesses and households changed in response to FAS 166/167?

	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	23	100.0	20	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	100.0	23	100.0	20	100.0

For this question, 10 respondents answered "Not applicable to my bank."

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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, 2009. The combined assets of the 31 large banks totaled $6.3 trillion, compared to $6.6 trillion for the entire panel of 56 banks, and $10.4 trillion for all domestically chartered, federally insured commercial banks.

2. For more information on FAS 166 and 167, please see the Financial Accounting Standards Board's news release: www.fasb.org/cs/ContentServer?c=FASBContent_C&pagename=FASB/FASBContent_C/NewsPage&cid=1176156240834.

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 2010)

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	91.3
Eased somewhat	2	8.7
Eased considerably	0	0.0
Total	23	100.0

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

a. Maximum size of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	91.3
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	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	18	78.3
Eased somewhat	5	21.7
Eased considerably	0	0.0
Total	23	100.0

c. Costs of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	8.7
Remained basically unchanged	14	60.9
Eased somewhat	7	30.4
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	0	0.0
Tightened somewhat	1	4.3
Remained basically unchanged	11	47.8
Eased somewhat	11	47.8
Eased considerably	0	0.0
Total	23	100.0

e. Premiums charged on riskier loans

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	73.9
Eased somewhat	6	26.1
Eased considerably	0	0.0
Total	23	100.0

f. Loan covenants

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	82.6
Eased somewhat	4	17.4
Eased considerably	0	0.0
Total	23	100.0

g. Collateralization requirements

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	22	95.7
Eased somewhat	1	4.3
Eased considerably	0	0.0
Total	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	
	Banks	Percent
Not important	0	--
Somewhat important	0	--
Very important	0	--
Total	0	--

b. Less favorable or more uncertain economic outlook

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

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

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

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

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

e. Reduced tolerance for risk

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

f. Decreased liquidity in the secondary market for these loans

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

g. Increase in defaults by borrowers in public debt markets

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

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

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

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	7	63.6
Somewhat important	4	36.4
Very important	0	0.0
Total	11	100.0

b. More favorable or less uncertain economic outlook

	All Respondents	
	Banks	**Percent**
Not important	2	18.2
Somewhat important	7	63.6
Very important	2	18.2
Total	11	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	7	63.6
Somewhat important	4	36.4
Very important	0	0.0
Total	11	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	1	9.1
Somewhat important	6	54.5
Very important	4	36.4
Total	11	100.0

e. Increased tolerance for risk

	All Respondents	
	Banks	**Percent**
Not important	8	72.7
Somewhat important	3	27.3
Very important	0	0.0
Total	11	100.0

f. Increased liquidity in the secondary market for these loans

	All Respondents	
	Banks	**Percent**
Not important	4	36.4
Somewhat important	6	54.5
Very important	1	9.1
Total	11	100.0

g. Reduction in defaults by borrowers in public debt markets

	All Respondents	
	Banks	**Percent**
Not important	6	54.5
Somewhat important	5	45.5
Very important	0	0.0
Total	11	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	8	72.7
Somewhat important	3	27.3
Very important	0	0.0
Total	11	100.0

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

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	7	30.4
About the same	13	56.5
Moderately weaker	3	13.0
Substantially weaker	0	0.0
Total	23	100.0

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

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

a. Customer inventory financing needs increased

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

b. Customer accounts receivable financing needs increased

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

c. Customer investment in plant or equipment increased

	All Respondents	
	Banks	**Percent**
Not important	3	50.0
Somewhat important	3	50.0
Very important	0	0.0
Total	6	100.0

d. Customer internally generated funds decreased

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

e. Customer merger or acquisition financing needs increased

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

b. Customer accounts receivable financing needs decreased

	All Respondents	
	Banks	**Percent**
Not important	0	0.0
Somewhat important	3	100.0
Very important	0	0.0
Total	3	100.0

c. Customer investment in plant or equipment decreased

	All Respondents	
	Banks	**Percent**
Not important	0	0.0
Somewhat important	3	100.0
Very important	0	0.0
Total	3	100.0

d. Customer internally generated funds increased

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

e. Customer merger or acquisition financing needs decreased

	All Respondents	
	Banks	**Percent**
Not important	1	33.3
Somewhat important	1	33.3
Very important	1	33.3
Total	3	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	1	33.3
Somewhat important	2	66.7
Very important	0	0.0
Total	3	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	10	43.5
The number of inquiries has stayed about the same	11	47.8
The number of inquiries has decreased moderately	1	4.3
The number of inquiries has decreased substantially	1	4.3
Total	23	100.0

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

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	12	85.7
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	14	100.0

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

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	5	35.7
About the same	6	42.9
Moderately weaker	3	21.4
Substantially weaker	0	0.0
Total	14	100.0

Question 9 *asks about the use of loan extensions on commercial real estate loans at your bank. For the purposes of this question, a loan extension is defined as a modification of a loan at or near the end of the original term that extends the term of the loan, as opposed to a newly underwritten loan used to refinance a maturing loan.*

9. Over the past six months, how has your use of loan extensions on commercial real estate loans changed?

	All Respondents	
	Banks	**Percent**
Increased considerably	0	0.0
Increased somewhat	4	28.6
Remained basically unchanged	9	64.3
Decreased somewhat	1	7.1
Decreased considerably	0	0.0
Total	14	100.0

10. 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.

a. Business credit card accounts

	All Respondents	
	Banks	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	4	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	4	100.0

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

	All Respondents	
	Banks	**Percent**
Increased considerably	0	0.0
Increased somewhat	5	23.8
Remained basically unchanged	14	66.7
Decreased somewhat	2	9.5
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	0	0.0
Remained basically unchanged	7	63.6
Decreased somewhat	2	18.2
Decreased considerably	2	18.2
Total	11	100.0

d. Lines of credit for financial firms

	All Respondents	
	Banks	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	14	93.3
Decreased somewhat	1	6.7
Decreased considerably	0	0.0
Total	15	100.0

1. As of December 31, 2009, the 23 respondents had combined assets of $0.9 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.