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

DIVISION OF MONETARY AFFAIRS

For release at 2:00 p.m. ET February 4, 2013

TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

Enclosed for distribution to respondents is a national summary of the January 2013 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/econresdata/statisticsdata.htm).

## The January 2013 Senior Loan Officer Opinion Survey on Bank Lending Practices

The January 2013 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. This summary is based on responses from 68 domestic banks and 22 U.S. branches and agencies of foreign banks.[1]

In the January survey, generally modest fractions of domestic banks reported having eased their standards across major loan categories over the past three months on net.[2] Domestic respondents indicated that demand for business loans, prime residential mortgages, and auto loans had strengthened, on balance, while demand for other types of loans was about unchanged. U.S. branches and agencies of foreign banks, which mainly lend to businesses, reported little change in their lending standards, while demand for their loans was reportedly stronger on net.

On balance, small percentages of domestic respondents reported that lending standards on commercial and industrial (C&I) loans had been eased over the past three months and that many terms on such loans had also been loosened. In addition, moderate net fractions of domestic banks reported that demand for C&I loans from firms of all sizes had increased over the survey period.[3] Small net fractions of domestic and foreign respondents indicated that commercial real estate (CRE) lending standards had been eased over the past three months, while significant percentages of both types of respondents reportedly experienced increased demand for such loans on net.

On the household side, domestic banks reported that standards for both prime and nontraditional mortgages were essentially unchanged over the past three months. Respondents indicated that demand for prime residential mortgages increased, on net, while demand for nontraditional residential mortgages was unchanged. Within consumer lending, a moderate fraction of domestic banks reported an easing of standards on auto loans, on net, while standards on other types of consumer loans were about unchanged. On balance, banks indicated having eased selected terms on consumer loans over the survey period. A moderate fraction of respondents continued to experience stronger demand for auto loans, on net, while demand for credit card loans was reportedly unchanged.

The January survey also included three sets of special questions: The first set asked banks about lending to and competition from banks headquartered in Europe; the second set asked banks about changes in

---

[1] Respondent banks received the survey on or after December 27, 2012, and responses were due by January 15, 2013.

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

[3] The survey asks respondents separately about their standards for and demand from large and middle-market firms, which are generally defined as firms with annual sales of $50 million or more, and small firms, those with annual sales of less than $50 million.

their lending policies on CRE loans over the past year; and the third set asked banks about their outlook for asset quality in major loan categories during 2013. In response to the first set, only a small fraction of domestic banks indicated that lending standards to European banks and their affiliates had been tightened, on net, while foreign respondents' standards were reportedly little changed for such institutions. In response to the second set, respondents indicated that they had eased selected CRE loan terms over the past 12 months on net, with the rest of the surveyed terms having been about unchanged. Finally, respondents' answers for the outlook for asset quality revealed that moderate to large fractions of banks expect improvements in credit quality in most major loan categories on balance.

**Business Lending**
(Table 1, questions 1–12; Table 2, questions 1–11)

**Questions on commercial and industrial lending.** Modest fractions of domestic survey respondents, on net, indicated that their C&I lending standards had been eased somewhat for all firm sizes over the survey period. On balance, most loan terms were eased regardless of firm size. Moderate to large fractions of banks again reported having reduced spreads of loan rates over their banks' cost of funds, the use of interest rate floors, and the cost of credit lines for all firm sizes. Almost all respondents that reported having eased either standards or terms over the past three months cited more-aggressive competition from other banks or nonbank lenders as an important reason for having done so. As in the previous survey, no other reasons were broadly cited as important. Moderate fractions of domestic banks indicated stronger demand for C&I loans by firms of all sizes, on net, and cited their customers' increased investment in plant or equipment and increased need to finance mergers or acquisitions and accounts receivable as the main reasons for increased loan demand. In addition, several banks also noted that some firms had borrowed in part to fund payments to employees and investors ahead of anticipated changes to the tax code after year-end.

On balance, U.S. branches and agencies of foreign banks reported that their C&I lending standards had remained about the same over the past three months. A moderate net fraction of foreign respondents reported having reduced loan spreads over their cost of funds, while only small fractions reported having changed other lending terms on net. About 20 percent of foreign respondents reported stronger demand for C&I loans over the past three months, on net, and most cited their customers' increased merger or acquisition financing needs as a very important reason for stronger demand.

**Special questions on lending to and competition from European banks.** The January survey again included special questions about lending to European banking institutions and their affiliates. On balance, about 10 percent of domestic banks reported that their standards for loans to European banks had tightened over the past three months, a smaller fraction relative to the previous two surveys. Furthermore, foreign respondents indicated that their standards on such loans were essentially unchanged. Respondents reported that they had experienced little change in demand for loans from European banks.

Most domestic banks who reported competing with European banks indicated that they had experienced a decrease in competition from such institutions over the past three months, but the decrease did not appreciably boost their business. About one-third of respondents that reportedly compete with European banks noted an increase in business to some extent.

**Questions on commercial real estate lending.** A modest net fraction of domestic banks reported that they had eased standards on CRE loans over the previous three months and a large share indicated that demand for such loans had increased. On balance, foreign respondents reported similar trends in CRE lending conditions in the fourth quarter; a small fraction indicated that they had eased lending standards and a large fraction reportedly experienced stronger demand for CRE loans.

**Special question on commercial real estate lending.** The January survey also included a special question regarding changes in specific lending policies for CRE loans over the past year (repeated annually since 2001). During the past 12 months, on net, many domestic banks reportedly had reduced the spreads on CRE loans and several banks eased policies regarding the maximum size and maturity of such loans. However, banks indicated no change in their policies for debt service coverage ratios or loan-to-value ratios. Foreign respondents also indicated that policies on spreads and maximum loan size for CRE loans were eased somewhat, on balance, and those on other terms were about unchanged.

**Lending to Households**
(Table 1, questions 13–26)

**Questions on residential real estate lending.** Respondents reported little change in their standards for both prime and nontraditional residential real estate loans. Demand for prime residential mortgage loans had reportedly increased over the past three months, on net, while demand for nontraditional residential mortgage loans was about unchanged. Standards for home equity lines of credit (HELOCs) were about unchanged while a small fraction of banks reportedly experienced weaker demand for such loans on net.

**Questions on consumer lending.** Responses from domestic banks indicated that they had again eased standards on auto loans over the past three months. However, standards on credit card loans and other consumer loans were little changed. On balance, several banks reported that they had reduced spreads on consumer loans other than credit card loans. A modest fraction of banks also reported having increased the maximum maturity of auto loans on net. Other terms for consumer loans were reportedly little changed over the past three months.

Demand for auto loans reportedly increased on balance, while demand for credit card loans was essentially unchanged. A modest fraction of banks reported stronger demand for other consumer loans on net.

**Special questions on banks' outlook for asset quality in 2013**
(Table 1, questions 27-29; Table 2, questions 12-13)

The January survey contained a set of special questions on respondents' expectations for loan quality in 2013 (repeated annually since 2006). Overall, large fractions of domestic banks, on net, expected improvements in delinquency and charge-off rates during 2013 for most loan categories included in the survey, assuming that economic activity progresses in line with consensus forecasts. Moreover, expectations for improvement in most loan categories were about the same as the corresponding net fractions from a year ago.

Regarding the outlook for the quality of business loans, about 40 percent of domestic banks, on net, reportedly expect delinquency and charge-off rates on their C&I loans to all sizes of firms to decline in 2013. These responses indicate a somewhat less widespread expected improvement in the quality of C&I loans relative to the 2012 survey, which is largely consistent with already low delinquency and charge-off rates on such loans by historical standards. Similar to last year, about 55 percent of domestic banks indicated that they expect improvement in the quality of CRE loans in 2013. Turning to foreign respondents, about 20 percent, on net, anticipate improvement in the quality of C&I loans to large and middle-market firms this year. Meanwhile, about 45 percent of foreign respondents forecast improvement in the quality of CRE loans on balance, a sizable increase from the 25 percent that reportedly expected improvement last year.

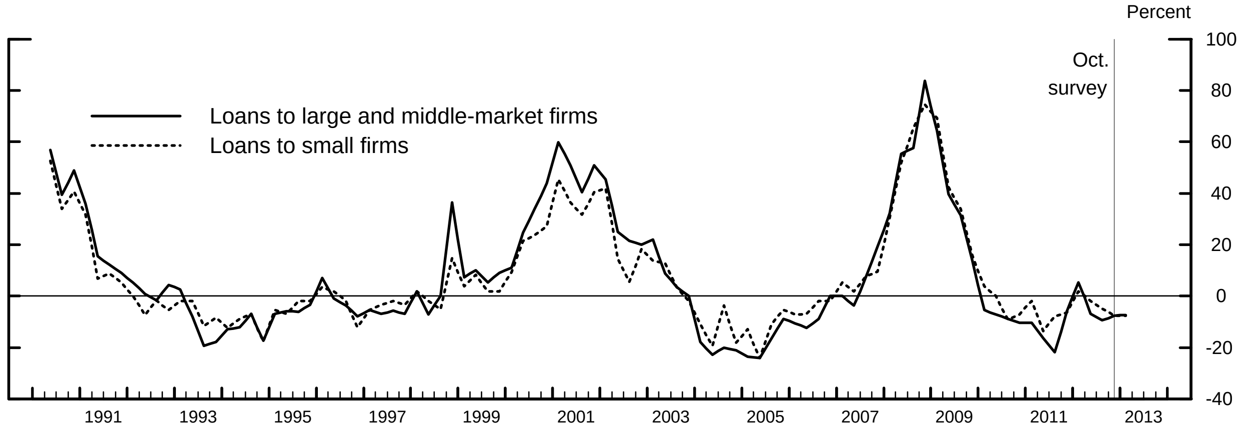
About 50 percent of domestic banks expect the delinquency and charge-off rates on prime and nontraditional residential real estate loans to improve in 2013, on net, about the same fractions reported in last year's survey. Expectations for improvements this year in the quality of HELOCs stayed roughly the same as last year, with about one-third of the respondents anticipating an improvement in the quality of such loans.

Among major loan categories, domestic banks were least likely to expect improvement in the quality of consumer loans in 2013. On balance, about 10 percent of banks expected improvement in credit card loans, and similar fractions projected improvement in auto and other consumer loans.

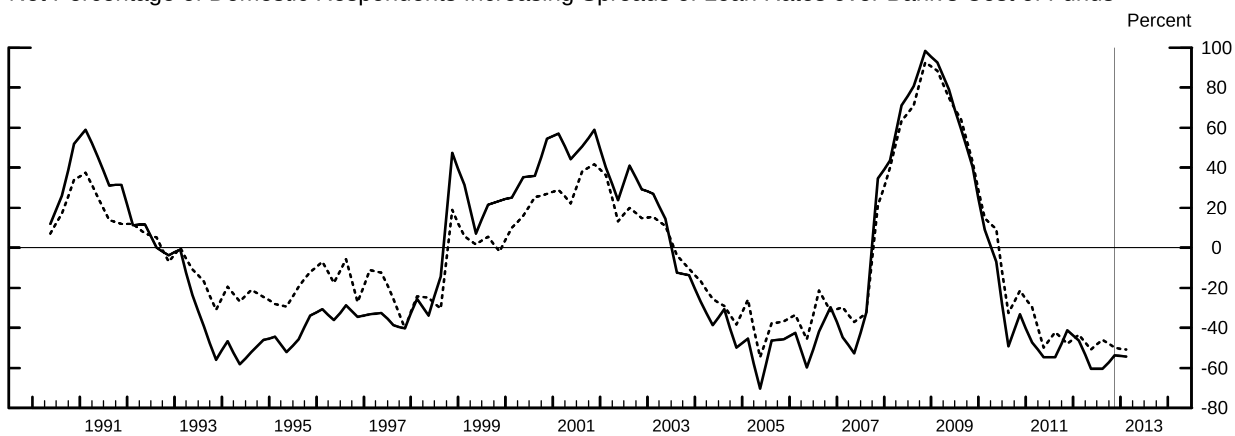
*This document was prepared by Emre Yoldas, with the assistance of Amanda Ng, Division of Monetary Affairs, Board of Governors of the Federal Reserve System.*

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

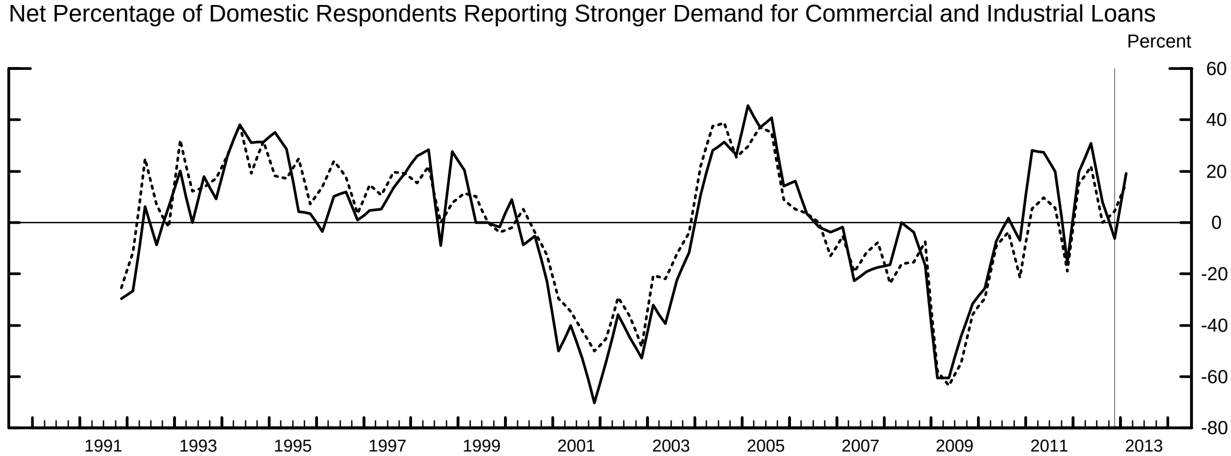
Net Percentage of Domestic Respondents Tightening Standards for Commercial and Industrial Loans




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

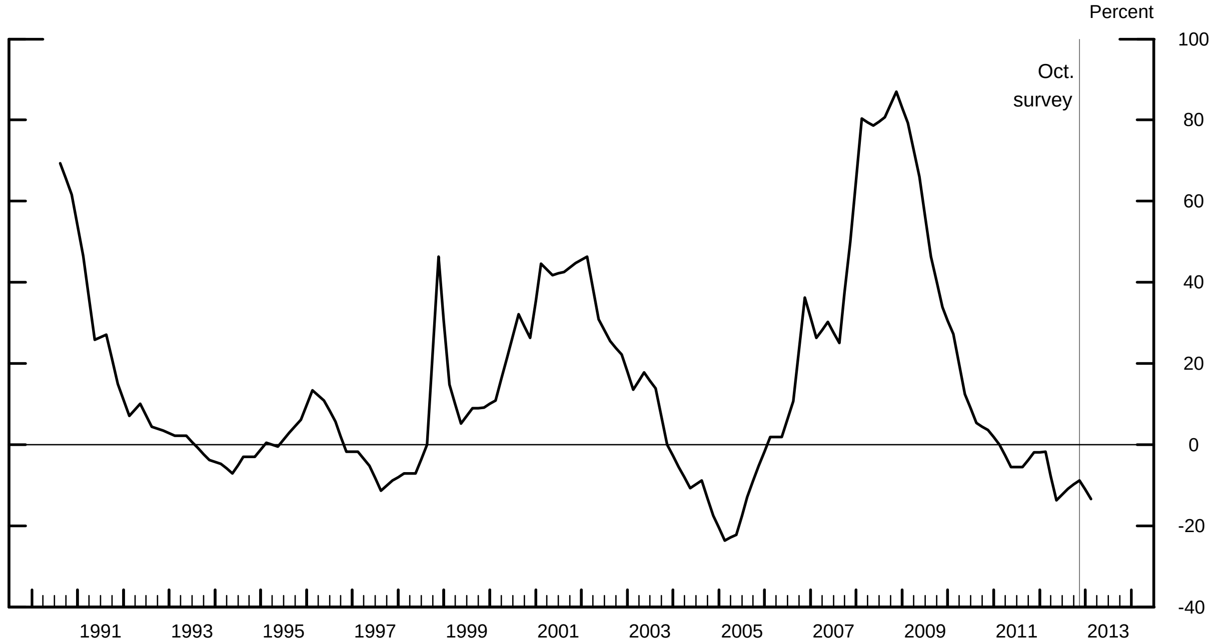



Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans

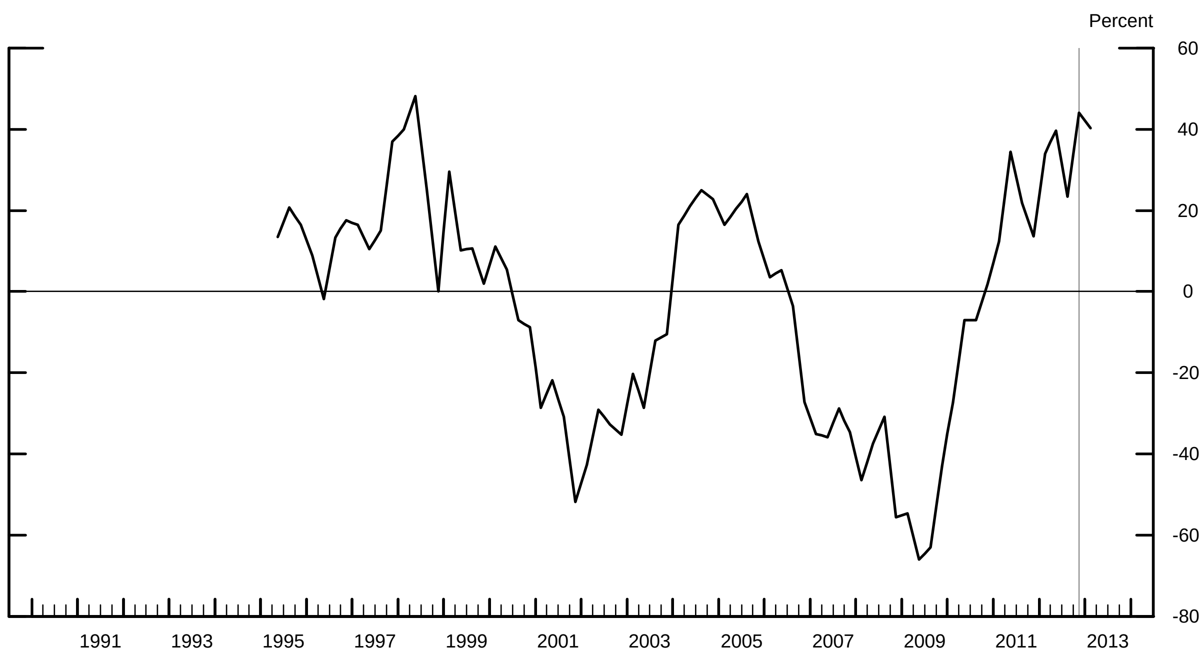


# Measures of Supply and Demand for Commercial Real Estate Loans

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

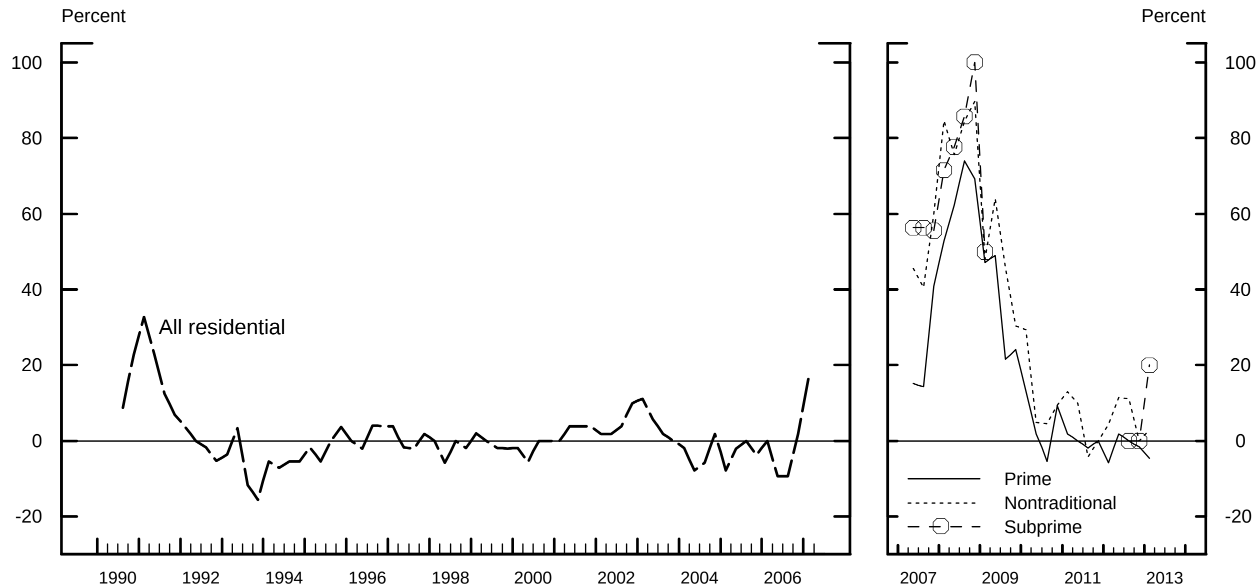



Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial Real Estate Loans



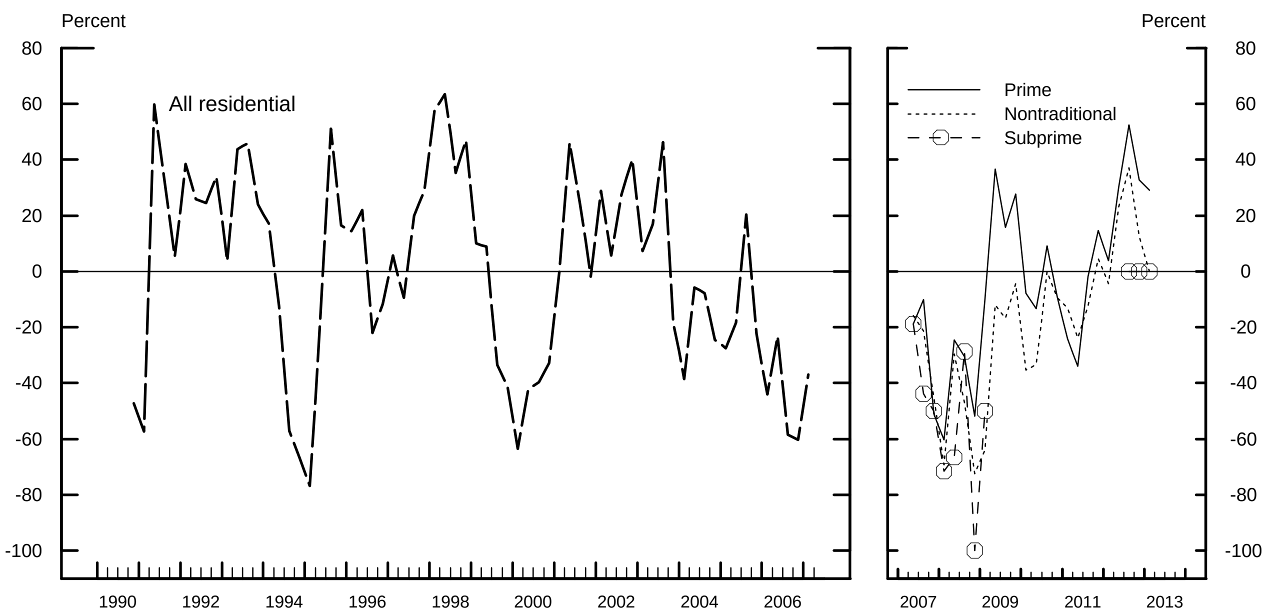
# Measures of Supply and Demand for Residential Mortgage Loans

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. Series are not reported when the number of respondents is three or fewer.

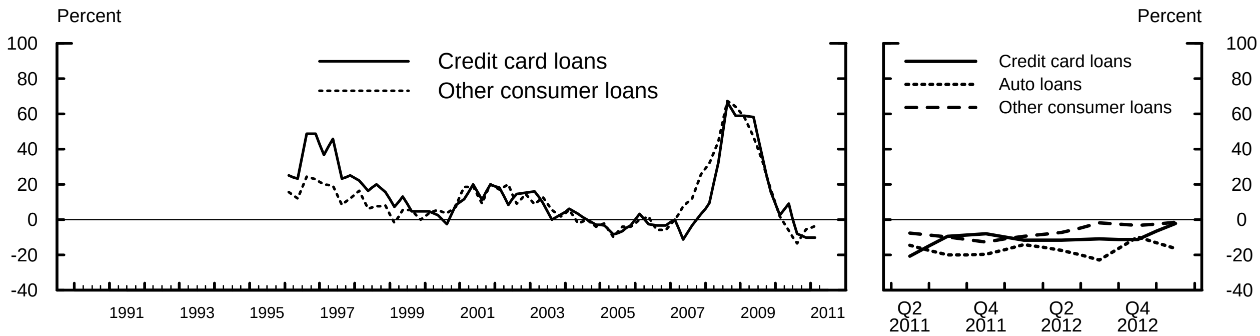
Net Percentage of Domestic Respondents Reporting Stronger Demand for Residential Mortgage Loans




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

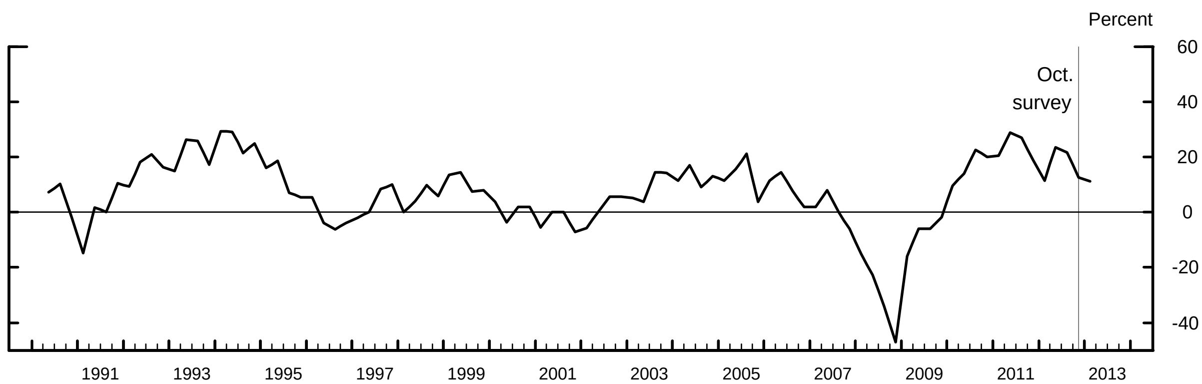
# Measures of Supply and Demand for Consumer Loans

Net Percentage of Domestic Respondents Tightening Standards for Consumer Loans

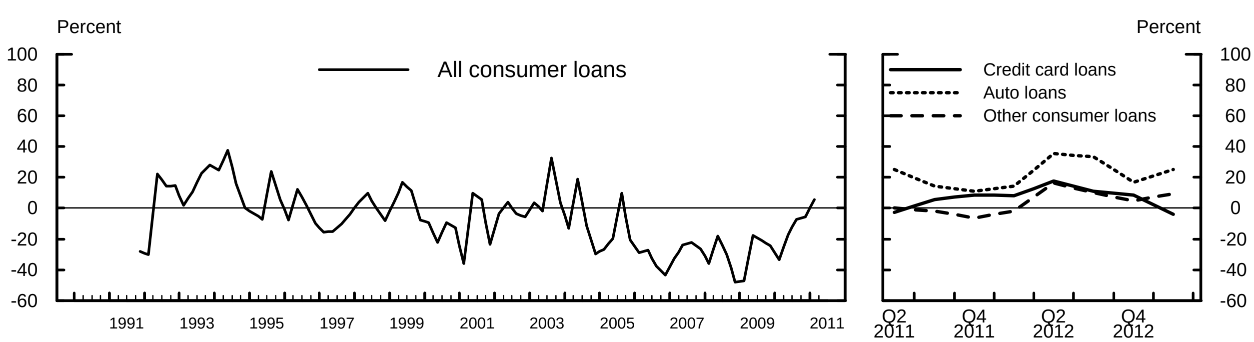



Note: For data starting in 2011:Q2, changes in standards for auto loans and consumer loans excluding credit card and auto loans are reported separately. In 2011:Q2 only, new and used auto loans are reported separately and equally weighted to calculate the auto loans series.

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




Net Percentage of Domestic Respondents Reporting Stronger Demand for Consumer Loans




Note: For data starting in 2011:Q2, changes in demand for credit card loans, auto loans, and consumer loans excluding credit card and auto loans are reported separately.

Table 1

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

(Status of policy as of January 2013)

***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 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 63 | 92.6 | 32 | 91.4 | 31 | 93.9 |
| Eased somewhat | 5 | 7.4 | 3 | 8.6 | 2 | 6.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 68 | 100.0 | 35 | 100.0 | 33 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.5 | 1 | 3.1 | 0 | 0.0 |
| Remained basically unchanged | 58 | 89.2 | 28 | 87.5 | 30 | 90.9 |
| Eased somewhat | 6 | 9.2 | 3 | 9.4 | 3 | 9.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 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 | 1 | 1.5 | 1 | 2.9 | 0 | 0.0 |
| Remained basically unchanged | 54 | 79.4 | 25 | 71.4 | 29 | 87.9 |
| Eased somewhat | 13 | 19.1 | 9 | 25.7 | 4 | 12.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 68 | 100.0 | 35 | 100.0 | 33 | 100.0 |

b. Maximum maturity of loans or credit lines

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 61 | 89.7 | 34 | 97.1 | 27 | 81.8 |
| Eased somewhat | 7 | 10.3 | 1 | 2.9 | 6 | 18.2 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 68 | 100.0 | 35 | 100.0 | 33 | 100.0 |

c. Costs of credit lines

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 45 | 66.2 | 25 | 71.4 | 20 | 60.6 |
| Eased somewhat | 23 | 33.8 | 10 | 28.6 | 13 | 39.4 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 68 | 100.0 | 35 | 100.0 | 33 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.5 | 1 | 2.9 | 0 | 0.0 |
| Remained basically unchanged | 29 | 42.6 | 16 | 45.7 | 13 | 39.4 |
| Eased somewhat | 36 | 52.9 | 18 | 51.4 | 18 | 54.5 |
| Eased considerably | 2 | 2.9 | 0 | 0.0 | 2 | 6.1 |
| **Total** | 68 | 100.0 | 35 | 100.0 | 33 | 100.0 |

e. Premiums charged on riskier loans

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 2.9 | 0 | 0.0 | 2 | 6.1 |
| Remained basically unchanged | 58 | 85.3 | 30 | 85.7 | 28 | 84.8 |
| Eased somewhat | 7 | 10.3 | 5 | 14.3 | 2 | 6.1 |
| Eased considerably | 1 | 1.5 | 0 | 0.0 | 1 | 3.0 |
| **Total** | 68 | 100.0 | 35 | 100.0 | 33 | 100.0 |

f. Loan covenants

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 55 | 80.9 | 24 | 68.6 | 31 | 93.9 |
| Eased somewhat | 13 | 19.1 | 11 | 31.4 | 2 | 6.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 68 | 100.0 | 35 | 100.0 | 33 | 100.0 |

g. Collateralization requirements

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 64 | 94.1 | 32 | 91.4 | 32 | 97.0 |
| Eased somewhat | 4 | 5.9 | 3 | 8.6 | 1 | 3.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 68 | 100.0 | 35 | 100.0 | 33 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 35 | 53.0 | 21 | 63.6 | 14 | 42.4 |
| Eased somewhat | 20 | 30.3 | 9 | 27.3 | 11 | 33.3 |
| Eased considerably | 11 | 16.7 | 3 | 9.1 | 8 | 24.2 |
| **Total** | 66 | 100.0 | 33 | 100.0 | 33 | 100.0 |

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

a. Maximum size of credit lines

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 59 | 90.8 | 29 | 90.6 | 30 | 90.9 |
| Eased somewhat | 6 | 9.2 | 3 | 9.4 | 3 | 9.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 100.0 |

b. Maximum maturity of loans or credit lines

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 54 | 83.1 | 26 | 81.3 | 28 | 84.8 |
| Eased somewhat | 11 | 16.9 | 6 | 18.8 | 5 | 15.2 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 100.0 |

c. Costs of credit lines

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.5 | 1 | 3.1 | 0 | 0.0 |
| Remained basically unchanged | 48 | 73.8 | 28 | 87.5 | 20 | 60.6 |
| Eased somewhat | 16 | 24.6 | 3 | 9.4 | 13 | 39.4 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.5 | 1 | 3.1 | 0 | 0.0 |
| Remained basically unchanged | 30 | 46.2 | 17 | 53.1 | 13 | 39.4 |
| Eased somewhat | 34 | 52.3 | 14 | 43.8 | 20 | 60.6 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 100.0 |

e. Premiums charged on riskier loans

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.1 | 0 | 0.0 | 2 | 6.1 |
| Remained basically unchanged | 59 | 90.8 | 30 | 93.8 | 29 | 87.9 |
| Eased somewhat | 4 | 6.2 | 2 | 6.3 | 2 | 6.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 100.0 |

f. Loan covenants

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 58 | 90.6 | 27 | 87.1 | 31 | 93.9 |
| Eased somewhat | 6 | 9.4 | 4 | 12.9 | 2 | 6.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 64 | 100.0 | 31 | 100.0 | 33 | 100.0 |

g. Collateralization requirements

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 62 | 95.4 | 31 | 96.9 | 31 | 93.9 |
| Eased somewhat | 3 | 4.6 | 1 | 3.1 | 2 | 6.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 35 | 55.6 | 21 | 70.0 | 14 | 42.4 |
| Eased somewhat | 22 | 34.9 | 8 | 26.7 | 14 | 42.4 |
| Eased considerably | 6 | 9.5 | 1 | 3.3 | 5 | 15.2 |
| **Total** | 63 | 100.0 | 30 | 100.0 | 33 | 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 | 3 | 100.0 | 2 | 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** | 3 | 100.0 | 2 | 100.0 | 1 | 100.0 |

b. Less favorable or more uncertain economic outlook

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

e. Reduced tolerance for risk

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

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 3 | 100.0 | 2 | 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** | 3 | 100.0 | 2 | 100.0 | 1 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 2 | 66.7 | 1 | 50.0 | 1 | 100.0 |
| Somewhat important | 1 | 33.3 | 1 | 50.0 | 0 | 0.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 3 | 100.0 | 2 | 100.0 | 1 | 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 | 41 | 85.4 | 23 | 92.0 | 18 | 78.3 |
| Somewhat important | 5 | 10.4 | 2 | 8.0 | 3 | 13.0 |
| Very important | 2 | 4.2 | 0 | 0.0 | 2 | 8.7 |
| **Total** | 48 | 100.0 | 25 | 100.0 | 23 | 100.0 |

b. More favorable or less uncertain economic outlook

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 33 | 67.3 | 20 | 76.9 | 13 | 56.5 |
| Somewhat important | 14 | 28.6 | 5 | 19.2 | 9 | 39.1 |
| Very important | 2 | 4.1 | 1 | 3.8 | 1 | 4.3 |
| **Total** | 49 | 100.0 | 26 | 100.0 | 23 | 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 | 38 | 79.2 | 23 | 88.5 | 15 | 68.2 |
| Somewhat important | 9 | 18.8 | 3 | 11.5 | 6 | 27.3 |
| Very important | 1 | 2.1 | 0 | 0.0 | 1 | 4.5 |
| **Total** | 48 | 100.0 | 26 | 100.0 | 22 | 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 | 3 | 6.0 | 1 | 3.7 | 2 | 8.7 |
| Somewhat important | 19 | 38.0 | 8 | 29.6 | 11 | 47.8 |
| Very important | 28 | 56.0 | 18 | 66.7 | 10 | 43.5 |
| **Total** | 50 | 100.0 | 27 | 100.0 | 23 | 100.0 |

e. Increased tolerance for risk

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 34 | 73.9 | 20 | 83.3 | 14 | 63.6 |
| Somewhat important | 12 | 26.1 | 4 | 16.7 | 8 | 36.4 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 46 | 100.0 | 24 | 100.0 | 22 | 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 | 37 | 80.4 | 19 | 79.2 | 18 | 81.8 |
| Somewhat important | 8 | 17.4 | 5 | 20.8 | 3 | 13.6 |
| Very important | 1 | 2.2 | 0 | 0.0 | 1 | 4.5 |
| **Total** | 46 | 100.0 | 24 | 100.0 | 22 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 37 | 80.4 | 22 | 91.7 | 15 | 68.2 |
| Somewhat important | 7 | 15.2 | 2 | 8.3 | 5 | 22.7 |
| Very important | 2 | 4.3 | 0 | 0.0 | 2 | 9.1 |
| **Total** | 46 | 100.0 | 24 | 100.0 | 22 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Not important | 41 | 87.2 | 23 | 92.0 | 18 | 81.8 |
| Somewhat important | 2 | 4.3 | 1 | 4.0 | 1 | 4.5 |
| Very important | 4 | 8.5 | 1 | 4.0 | 3 | 13.6 |
| **Total** | 47 | 100.0 | 25 | 100.0 | 22 | 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 | 4 | 5.9 | 2 | 5.7 | 2 | 6.1 |
| Moderately stronger | 17 | 25.0 | 9 | 25.7 | 8 | 24.2 |
| About the same | 39 | 57.4 | 18 | 51.4 | 21 | 63.6 |
| Moderately weaker | 8 | 11.8 | 6 | 17.1 | 2 | 6.1 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 68 | 100.0 | 35 | 100.0 | 33 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Substantially stronger | 1 | 1.5 | 0 | 0.0 | 1 | 3.0 |
| Moderately stronger | 16 | 24.6 | 8 | 25.0 | 8 | 24.2 |
| About the same | 41 | 63.1 | 20 | 62.5 | 21 | 63.6 |
| Moderately weaker | 7 | 10.8 | 4 | 12.5 | 3 | 9.1 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 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 | 14 | 58.3 | 11 | 84.6 | 3 | 27.3 |
| Somewhat important | 8 | 33.3 | 2 | 15.4 | 6 | 54.5 |
| Very important | 2 | 8.3 | 0 | 0.0 | 2 | 18.2 |
| **Total** | 24 | 100.0 | 13 | 100.0 | 11 | 100.0 |

b. Customer accounts receivable financing needs increased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 12 | 50.0 | 10 | 76.9 | 2 | 18.2 |
| Somewhat important | 10 | 41.7 | 3 | 23.1 | 7 | 63.6 |
| Very important | 2 | 8.3 | 0 | 0.0 | 2 | 18.2 |
| **Total** | 24 | 100.0 | 13 | 100.0 | 11 | 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 | 29.2 | 7 | 53.8 | 0 | 0.0 |
| Somewhat important | 17 | 70.8 | 6 | 46.2 | 11 | 100.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 24 | 100.0 | 13 | 100.0 | 11 | 100.0 |

d. Customer internally generated funds decreased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 21 | 91.3 | 12 | 92.3 | 9 | 90.0 |
| Somewhat important | 2 | 8.7 | 1 | 7.7 | 1 | 10.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 23 | 100.0 | 13 | 100.0 | 10 | 100.0 |

e. Customer merger or acquisition financing needs increased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 7 | 30.4 | 2 | 15.4 | 5 | 50.0 |
| Somewhat important | 11 | 47.8 | 7 | 53.8 | 4 | 40.0 |
| Very important | 5 | 21.7 | 4 | 30.8 | 1 | 10.0 |
| **Total** | 23 | 100.0 | 13 | 100.0 | 10 | 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 | 13 | 56.5 | 6 | 46.2 | 7 | 70.0 |
| Somewhat important | 9 | 39.1 | 6 | 46.2 | 3 | 30.0 |
| Very important | 1 | 4.3 | 1 | 7.7 | 0 | 0.0 |
| **Total** | 23 | 100.0 | 13 | 100.0 | 10 | 100.0 |

g. Customers' precautionary demand for cash and liquidity increased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 19 | 82.6 | 11 | 84.6 | 8 | 80.0 |
| Somewhat important | 4 | 17.4 | 2 | 15.4 | 2 | 20.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 23 | 100.0 | 13 | 100.0 | 10 | 100.0 |

h. Customers transitioned from commercial real estate loans to C&I loans

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 23 | 100.0 | 13 | 100.0 | 10 | 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** | 23 | 100.0 | 13 | 100.0 | 10 | 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 | 4 | 40.0 | 3 | 50.0 | 1 | 25.0 |
| Somewhat important | 5 | 50.0 | 3 | 50.0 | 2 | 50.0 |
| Very important | 1 | 10.0 | 0 | 0.0 | 1 | 25.0 |
| **Total** | 10 | 100.0 | 6 | 100.0 | 4 | 100.0 |

b. Customer accounts receivable financing needs decreased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 6 | 54.5 | 4 | 57.1 | 2 | 50.0 |
| Somewhat important | 4 | 36.4 | 3 | 42.9 | 1 | 25.0 |
| Very important | 1 | 9.1 | 0 | 0.0 | 1 | 25.0 |
| **Total** | 11 | 100.0 | 7 | 100.0 | 4 | 100.0 |

c. Customer investment in plant or equipment decreased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 2 | 18.2 | 2 | 28.6 | 0 | 0.0 |
| Somewhat important | 9 | 81.8 | 5 | 71.4 | 4 | 100.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 11 | 100.0 | 7 | 100.0 | 4 | 100.0 |

d. Customer internally generated funds increased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 7 | 63.6 | 6 | 85.7 | 1 | 25.0 |
| Somewhat important | 3 | 27.3 | 1 | 14.3 | 2 | 50.0 |
| Very important | 1 | 9.1 | 0 | 0.0 | 1 | 25.0 |
| **Total** | 11 | 100.0 | 7 | 100.0 | 4 | 100.0 |

e. Customer merger or acquisition financing needs decreased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 5 | 45.5 | 2 | 28.6 | 3 | 75.0 |
| Somewhat important | 5 | 45.5 | 4 | 57.1 | 1 | 25.0 |
| Very important | 1 | 9.1 | 1 | 14.3 | 0 | 0.0 |
| **Total** | 11 | 100.0 | 7 | 100.0 | 4 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 8 | 72.7 | 7 | 100.0 | 1 | 25.0 |
| Somewhat important | 3 | 27.3 | 0 | 0.0 | 3 | 75.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 11 | 100.0 | 7 | 100.0 | 4 | 100.0 |

g. Customers’ precautionary demand for cash and liquidity decreased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 9 | 81.8 | 7 | 100.0 | 2 | 50.0 |
| Somewhat important | 1 | 9.1 | 0 | 0.0 | 1 | 25.0 |
| Very important | 1 | 9.1 | 0 | 0.0 | 1 | 25.0 |
| **Total** | 11 | 100.0 | 7 | 100.0 | 4 | 100.0 |

h. Customers transitioned from C&I loans to commercial real estate loans

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 10 | 100.0 | 6 | 100.0 | 4 | 100.0 |
| Somewhat important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 10 | 100.0 | 6 | 100.0 | 4 | 100.0 |

6. At your bank, apart from seasonal variation, how has the number of inquiries from potential business borrowers regarding the availability and terms of new credit lines or increases in existing lines changed over the past three months? (Please consider only inquiries for additional or increased C&I lines as opposed to the refinancing of existing loans.)

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| The number of inquiries has increased substantially | 1 | 1.5 | 0 | 0.0 | 1 | 3.0 |
| The number of inquiries has increased moderately | 15 | 22.1 | 6 | 17.1 | 9 | 27.3 |
| The number of inquiries has stayed about the same | 44 | 64.7 | 22 | 62.9 | 22 | 66.7 |
| The number of inquiries has decreased moderately | 8 | 11.8 | 7 | 20.0 | 1 | 3.0 |
| The number of inquiries has decreased substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 68 | 100.0 | 35 | 100.0 | 33 | 100.0 |

*The ongoing fiscal and financial strains in Europe may have affected lending conditions and funding options for banks headquartered in Europe and their affiliates and subsidiaries.* ***Question 7*** *addresses changes in your bank's lending policies toward these banking organizations over the past three months.* ***Question 8*** *addresses changes in these organizations' demand for funding from U.S. banks.* ***Question 9*** *asks about changes in business at your bank as a result of increased or decreased competition from European banks and their affiliates and subsidiaries.*

*In answering these questions, please consider banks headquartered in Europe and affiliates and subsidiaries of European banks regardless of the location of those affiliates and subsidiaries.*

7. Over the past three months, how have your bank's credit standards and terms for approving applications for loans or credit lines to banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions) changed?

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 9.5 | 2 | 10.0 | 0 | 0.0 |
| Remained basically unchanged | 19 | 90.5 | 18 | 90.0 | 1 | 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** | 21 | 100.0 | 20 | 100.0 | 1 | 100.0 |

For this question, 47 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

8. Over the past three months and apart from normal seasonal variation, how has demand for loans at your bank from banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions) changed? (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 | 2 | 9.5 | 2 | 10.0 | 0 | 0.0 |
| About the same | 18 | 85.7 | 17 | 85.0 | 1 | 100.0 |
| Moderately weaker | 1 | 4.8 | 1 | 5.0 | 0 | 0.0 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 21 | 100.0 | 20 | 100.0 | 1 | 100.0 |

For this question, 46 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

9. Over the past three months, to what extent has your bank experienced an increase or decrease in business, with either foreign or domestic customers, as a result of increased or decreased competition from European banks and their affiliates and subsidiaries?

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| My bank does not compete with European banks for our business | 34 | 51.5 | 5 | 15.2 | 29 | 87.9 |
| My bank has experienced an increase in competition from European banks | 3 | 4.5 | 2 | 6.1 | 1 | 3.0 |
| My bank has experienced a decrease in competition from European banks, but such decreased competition has not appreciably increased business | 19 | 28.8 | 16 | 48.5 | 3 | 9.1 |
| My bank has experienced a decrease in competition from European banks, and such decreased competition has increased business to some extent | 10 | 15.2 | 10 | 30.3 | 0 | 0.0 |
| My bank has experienced a decrease in competition from European banks, and such decreased competition has increased business to a considerable extent | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 66 | 100.0 | 33 | 100.0 | 33 | 100.0 |

For this question, 1 respondent answered “Other (please specify).”

***Questions 10-11*** *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 10 deals with changes in your bank's standards over the past three months. Question 11 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.*

10. 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 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.0 | 0 | 0.0 | 2 | 6.1 |
| Remained basically unchanged | 54 | 80.6 | 28 | 82.4 | 26 | 78.8 |
| Eased somewhat | 11 | 16.4 | 6 | 17.6 | 5 | 15.2 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 67 | 100.0 | 34 | 100.0 | 33 | 100.0 |

11. 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 | 1 | 1.5 | 1 | 2.9 | 0 | 0.0 |
| Moderately stronger | 28 | 41.8 | 12 | 35.3 | 16 | 48.5 |
| About the same | 36 | 53.7 | 19 | 55.9 | 17 | 51.5 |
| Moderately weaker | 2 | 3.0 | 2 | 5.9 | 0 | 0.0 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 67 | 100.0 | 34 | 100.0 | 33 | 100.0 |

***Question 12*** *focuses on changes in your bank's policies on CRE loans over the past year. If your bank's lending policies have not changed over the past year, please report them as unchanged even if they are either restrictive or accomodative relative to longer-term norms. If your bank's policies have tightened or eased over the past year, please report these changes regardless of how your bank's policies stand relative to longer-term norms.*

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

a. Maximum loan size

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 3 | 4.5 | 0 | 0.0 | 3 | 9.1 |
| Remained basically unchanged | 48 | 72.7 | 24 | 72.7 | 24 | 72.7 |
| Eased somewhat | 14 | 21.2 | 9 | 27.3 | 5 | 15.2 |
| Eased considerably | 1 | 1.5 | 0 | 0.0 | 1 | 3.0 |
| **Total** | 66 | 100.0 | 33 | 100.0 | 33 | 100.0 |

b. Maximum loan maturity

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.0 | 2 | 6.1 | 0 | 0.0 |
| Remained basically unchanged | 49 | 74.2 | 21 | 63.6 | 28 | 84.8 |
| Eased somewhat | 15 | 22.7 | 10 | 30.3 | 5 | 15.2 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 66 | 100.0 | 33 | 100.0 | 33 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 1 | 1.5 | 0 | 0.0 | 1 | 3.0 |
| Tightened somewhat | 3 | 4.5 | 2 | 6.1 | 1 | 3.0 |
| Remained basically unchanged | 26 | 39.4 | 12 | 36.4 | 14 | 42.4 |
| Eased somewhat | 34 | 51.5 | 18 | 54.5 | 16 | 48.5 |
| Eased considerably | 2 | 3.0 | 1 | 3.0 | 1 | 3.0 |
| **Total** | 66 | 100.0 | 33 | 100.0 | 33 | 100.0 |

d. Loan-to-value ratios

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.5 | 0 | 0.0 | 1 | 3.0 |
| Remained basically unchanged | 63 | 95.5 | 32 | 97.0 | 31 | 93.9 |
| Eased somewhat | 2 | 3.0 | 1 | 3.0 | 1 | 3.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 66 | 100.0 | 33 | 100.0 | 33 | 100.0 |

e. Requirements for take-out financing

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 63 | 95.5 | 31 | 93.9 | 32 | 97.0 |
| Eased somewhat | 3 | 4.5 | 2 | 6.1 | 1 | 3.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 66 | 100.0 | 33 | 100.0 | 33 | 100.0 |

f. Debt-service coverage ratios

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.0 | 1 | 3.0 | 1 | 3.0 |
| Remained basically unchanged | 62 | 93.9 | 31 | 93.9 | 31 | 93.9 |
| Eased somewhat | 2 | 3.0 | 1 | 3.0 | 1 | 3.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 66 | 100.0 | 33 | 100.0 | 33 | 100.0 |

***Questions 13-14*** *ask about three categories of* ***residential mortgage loans*** *at your bank—prime residential mortgages, nontraditional residential mortgages, and subprime residential mortgages. Question 13 deals with changes in your bank's credit standards for loans in each of these categories over the past three months. Question 14 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.*

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

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

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.5 | 1 | 3.0 | 0 | 0.0 |
| Remained basically unchanged | 60 | 92.3 | 29 | 87.9 | 31 | 96.9 |
| Eased somewhat | 3 | 4.6 | 2 | 6.1 | 1 | 3.1 |
| Eased considerably | 1 | 1.5 | 1 | 3.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 33 | 100.0 | 32 | 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 | 1 | 2.9 | 1 | 5.0 | 0 | 0.0 |
| Remained basically unchanged | 33 | 97.1 | 19 | 95.0 | 14 | 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** | 34 | 100.0 | 20 | 100.0 | 14 | 100.0 |

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

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 20.0 | 1 | 50.0 | 0 | 0.0 |
| Remained basically unchanged | 4 | 80.0 | 1 | 50.0 | 3 | 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** | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |

For this question, 61 respondents answered “My bank does not originate subprime residential mortgages.”

14. 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 | 3 | 4.6 | 0 | 0.0 | 3 | 9.4 |
| Moderately stronger | 19 | 29.2 | 11 | 33.3 | 8 | 25.0 |
| About the same | 40 | 61.5 | 20 | 60.6 | 20 | 62.5 |
| Moderately weaker | 3 | 4.6 | 2 | 6.1 | 1 | 3.1 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 33 | 100.0 | 32 | 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 | 5 | 14.3 | 3 | 15.0 | 2 | 13.3 |
| About the same | 25 | 71.4 | 14 | 70.0 | 11 | 73.3 |
| Moderately weaker | 5 | 14.3 | 3 | 15.0 | 2 | 13.3 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 35 | 100.0 | 20 | 100.0 | 15 | 100.0 |

For this question, 31 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| About the same | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |
| Moderately weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |

For this question, 61 respondents answered “My bank does not originate subprime residential mortgages.”

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

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

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 3 | 4.5 | 2 | 5.9 | 1 | 3.1 |
| Remained basically unchanged | 59 | 89.4 | 29 | 85.3 | 30 | 93.8 |
| Eased somewhat | 4 | 6.1 | 3 | 8.8 | 1 | 3.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 66 | 100.0 | 34 | 100.0 | 32 | 100.0 |

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

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 7 | 10.6 | 3 | 8.8 | 4 | 12.5 |
| About the same | 45 | 68.2 | 22 | 64.7 | 23 | 71.9 |
| Moderately weaker | 13 | 19.7 | 9 | 26.5 | 4 | 12.5 |
| Substantially weaker | 1 | 1.5 | 0 | 0.0 | 1 | 3.1 |
| **Total** | 66 | 100.0 | 34 | 100.0 | 32 | 100.0 |

***Questions 17-26*** *ask about consumer lending at your bank. Question 17 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 18-23 deal with changes in credit standards and loan terms over the same period. Questions 24-26deal with changes in demand for consumer loans over the past three months. If your bank's lending policies have not changed over the past three months, please report them as unchanged even if the policies are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies as changes in policies.*

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Much more willing | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Somewhat more willing | 8 | 12.7 | 2 | 6.7 | 6 | 18.2 |
| About unchanged | 54 | 85.7 | 27 | 90.0 | 27 | 81.8 |
| Somewhat less willing | 1 | 1.6 | 1 | 3.3 | 0 | 0.0 |
| Much less willing | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 63 | 100.0 | 30 | 100.0 | 33 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.9 | 1 | 3.7 | 1 | 4.2 |
| Remained basically unchanged | 46 | 90.2 | 23 | 85.2 | 23 | 95.8 |
| Eased somewhat | 3 | 5.9 | 3 | 11.1 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 51 | 100.0 | 27 | 100.0 | 24 | 100.0 |

19. Over the past three months, how have your bank's credit standards for approving applications for auto loans to individuals or households changed? (Please include loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use, whether new or used. Please exclude loans to finance fleet sales, personal cash loans secured by automobiles already paid for, loans to finance the purchase of commercial vehicles and farm equipment, and lease financing.)

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 52 | 83.9 | 25 | 83.3 | 27 | 84.4 |
| Eased somewhat | 10 | 16.1 | 5 | 16.7 | 5 | 15.6 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 62 | 100.0 | 30 | 100.0 | 32 | 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 and auto loans changed?

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.1 | 2 | 6.3 | 0 | 0.0 |
| Remained basically unchanged | 60 | 92.3 | 29 | 90.6 | 31 | 93.9 |
| Eased somewhat | 3 | 4.6 | 1 | 3.1 | 2 | 6.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 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 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 2.0 | 0 | 0.0 | 1 | 3.8 |
| Remained basically unchanged | 45 | 88.2 | 22 | 88.0 | 23 | 88.5 |
| Eased somewhat | 5 | 9.8 | 3 | 12.0 | 2 | 7.7 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 51 | 100.0 | 25 | 100.0 | 26 | 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 | 1 | 2.0 | 1 | 4.0 | 0 | 0.0 |
| Remained basically unchanged | 47 | 92.2 | 23 | 92.0 | 24 | 92.3 |
| Eased somewhat | 3 | 5.9 | 1 | 4.0 | 2 | 7.7 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 51 | 100.0 | 25 | 100.0 | 26 | 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 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 50 | 98.0 | 25 | 100.0 | 25 | 96.2 |
| Eased somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Eased considerably | 1 | 2.0 | 0 | 0.0 | 1 | 3.8 |
| **Total** | 51 | 100.0 | 25 | 100.0 | 26 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 2.0 | 1 | 4.0 | 0 | 0.0 |
| Remained basically unchanged | 48 | 94.1 | 22 | 88.0 | 26 | 100.0 |
| Eased somewhat | 2 | 3.9 | 2 | 8.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 51 | 100.0 | 25 | 100.0 | 26 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.9 | 1 | 4.0 | 1 | 3.8 |
| Remained basically unchanged | 47 | 92.2 | 22 | 88.0 | 25 | 96.2 |
| Eased somewhat | 2 | 3.9 | 2 | 8.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 51 | 100.0 | 25 | 100.0 | 26 | 100.0 |

22. Over the past three months, how has your bank changed the following terms and conditions on loans to individuals or households to purchase autos?

a. Maximum maturity

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 53 | 86.9 | 24 | 82.8 | 29 | 90.6 |
| Eased somewhat | 8 | 13.1 | 5 | 17.2 | 3 | 9.4 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 61 | 100.0 | 29 | 100.0 | 32 | 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 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 44 | 72.1 | 25 | 86.2 | 19 | 59.4 |
| Eased somewhat | 16 | 26.2 | 4 | 13.8 | 12 | 37.5 |
| Eased considerably | 1 | 1.6 | 0 | 0.0 | 1 | 3.1 |
| **Total** | 61 | 100.0 | 29 | 100.0 | 32 | 100.0 |

c. Minimum required down payment (higher=tightened, lower=eased)

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 57 | 93.4 | 27 | 93.1 | 30 | 93.8 |
| Eased somewhat | 4 | 6.6 | 2 | 6.9 | 2 | 6.3 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 61 | 100.0 | 29 | 100.0 | 32 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.6 | 1 | 3.4 | 0 | 0.0 |
| Remained basically unchanged | 58 | 95.1 | 27 | 93.1 | 31 | 96.9 |
| Eased somewhat | 2 | 3.3 | 1 | 3.4 | 1 | 3.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 61 | 100.0 | 29 | 100.0 | 32 | 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 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 58 | 95.1 | 28 | 96.6 | 30 | 93.8 |
| Eased somewhat | 3 | 4.9 | 1 | 3.4 | 2 | 6.3 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 61 | 100.0 | 29 | 100.0 | 32 | 100.0 |

23. Over the past three months, how has your bank changed the following terms and conditions on consumer loans *other than* credit card and auto loans?

a. Maximum maturity

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 62 | 100.0 | 30 | 100.0 | 32 | 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** | 62 | 100.0 | 30 | 100.0 | 32 | 100.0 |

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

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.6 | 0 | 0.0 | 1 | 3.1 |
| Remained basically unchanged | 53 | 84.1 | 30 | 96.8 | 23 | 71.9 |
| Eased somewhat | 9 | 14.3 | 1 | 3.2 | 8 | 25.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 63 | 100.0 | 31 | 100.0 | 32 | 100.0 |

c. Minimum required down payment (higher=tightened, lower=eased)

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 63 | 100.0 | 31 | 100.0 | 32 | 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** | 63 | 100.0 | 31 | 100.0 | 32 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.6 | 1 | 3.2 | 0 | 0.0 |
| Remained basically unchanged | 61 | 96.8 | 30 | 96.8 | 31 | 96.9 |
| Eased somewhat | 1 | 1.6 | 0 | 0.0 | 1 | 3.1 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 63 | 100.0 | 31 | 100.0 | 32 | 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 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 62 | 98.4 | 30 | 96.8 | 32 | 100.0 |
| Eased somewhat | 1 | 1.6 | 1 | 3.2 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 63 | 100.0 | 31 | 100.0 | 32 | 100.0 |

24. Apart from normal seasonal variation, how has demand from individuals or households for credit card loans changed over the past three months?

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 5 | 10.0 | 2 | 7.7 | 3 | 12.5 |
| About the same | 38 | 76.0 | 19 | 73.1 | 19 | 79.2 |
| Moderately weaker | 7 | 14.0 | 5 | 19.2 | 2 | 8.3 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 50 | 100.0 | 26 | 100.0 | 24 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Substantially stronger | 1 | 1.7 | 1 | 3.4 | 0 | 0.0 |
| Moderately stronger | 17 | 28.3 | 11 | 37.9 | 6 | 19.4 |
| About the same | 39 | 65.0 | 16 | 55.2 | 23 | 74.2 |
| Moderately weaker | 3 | 5.0 | 1 | 3.4 | 2 | 6.5 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 60 | 100.0 | 29 | 100.0 | 31 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 10 | 15.4 | 6 | 18.8 | 4 | 12.1 |
| About the same | 50 | 76.9 | 24 | 75.0 | 26 | 78.8 |
| Moderately weaker | 4 | 6.2 | 1 | 3.1 | 3 | 9.1 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 100.0 |

***Questions 27-29*** *ask about your bank's expectations for the behavior of loan delinquencies and charge-offs in 2013. Question 27 asks about C&I loans to large and middle-market firms and to small firms. (Please refer to the definitions of large and middle-market firms and of small firms in question 1. If your bank defines firm size differently from the categories suggested in question 1, please use your definitions and indicate what they are.) Question 28 asks about CRE loans, and question 29 asks about loans to households.*

27. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **C&I loans** to large and middle-market firms and to small firms in 2013?

A. Outlook for loan quality on C&I loans to large and middle-market firms:

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Loan quality is likely to improve substantially | 2 | 2.9 | 0 | 0.0 | 2 | 6.1 |
| Loan quality is likely to improve somewhat | 28 | 41.2 | 15 | 42.9 | 13 | 39.4 |
| Loan quality is likely to stabilize around current levels | 34 | 50.0 | 18 | 51.4 | 16 | 48.5 |
| Loan quality is likely to deteriorate somewhat | 4 | 5.9 | 2 | 5.7 | 2 | 6.1 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 68 | 100.0 | 35 | 100.0 | 33 | 100.0 |

B. Outlook for loan quality on C&I loans to small firms:

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Loan quality is likely to improve substantially | 1 | 1.5 | 0 | 0.0 | 1 | 3.0 |
| Loan quality is likely to improve somewhat | 28 | 43.1 | 14 | 43.8 | 14 | 42.4 |
| Loan quality is likely to stabilize around current levels | 33 | 50.8 | 17 | 53.1 | 16 | 48.5 |
| Loan quality is likely to deteriorate somewhat | 3 | 4.6 | 1 | 3.1 | 2 | 6.1 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 100.0 |

For this question, 1 respondent answered “My bank does not originate this type of loan.”

28. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **commercial real estate loans** in 2013?

| | 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 | 39 | 58.2 | 19 | 55.9 | 20 | 60.6 |
| Loan quality is likely to stabilize around current levels | 26 | 38.8 | 14 | 41.2 | 12 | 36.4 |
| Loan quality is likely to deteriorate somewhat | 2 | 3.0 | 1 | 2.9 | 1 | 3.0 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 67 | 100.0 | 34 | 100.0 | 33 | 100.0 |

For this question, 1 respondent answered “My bank does not originate this type of loan.”

29. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **loans to households** in 2013?

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 | 1 | 1.6 | 1 | 3.1 | 0 | 0.0 |
| Loan quality is likely to improve somewhat | 30 | 46.9 | 18 | 56.3 | 12 | 37.5 |
| Loan quality is likely to stabilize around current levels | 32 | 50.0 | 12 | 37.5 | 20 | 62.5 |
| Loan quality is likely to deteriorate somewhat | 1 | 1.6 | 1 | 3.1 | 0 | 0.0 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 64 | 100.0 | 32 | 100.0 | 32 | 100.0 |

For this question, 1 respondent 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 | 1 | 3.3 | 1 | 5.0 | 0 | 0.0 |
| Loan quality is likely to improve somewhat | 14 | 46.7 | 10 | 50.0 | 4 | 40.0 |
| Loan quality is likely to stabilize around current levels | 15 | 50.0 | 9 | 45.0 | 6 | 60.0 |
| Loan quality is likely to deteriorate somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 30 | 100.0 | 20 | 100.0 | 10 | 100.0 |

For this question, 35 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 | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |
| Loan quality is likely to deteriorate somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |

For this question, 59 respondents answered “My bank does not originate this type of loan.”

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Loan quality is likely to improve substantially | 1 | 1.5 | 1 | 3.0 | 0 | 0.0 |
| Loan quality is likely to improve somewhat | 20 | 30.8 | 11 | 33.3 | 9 | 28.1 |
| Loan quality is likely to stabilize around current levels | 42 | 64.6 | 19 | 57.6 | 23 | 71.9 |
| Loan quality is likely to deteriorate somewhat | 2 | 3.1 | 2 | 6.1 | 0 | 0.0 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 33 | 100.0 | 32 | 100.0 |

For this question, 1 respondent answered “My bank does not originate this type of loan.”

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 | 10 | 21.7 | 5 | 20.0 | 5 | 23.8 |
| Loan quality is likely to stabilize around current levels | 32 | 69.6 | 18 | 72.0 | 14 | 66.7 |
| Loan quality is likely to deteriorate somewhat | 4 | 8.7 | 2 | 8.0 | 2 | 9.5 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 46 | 100.0 | 25 | 100.0 | 21 | 100.0 |

For this question, 17 respondents answered “My bank does not originate this type of loan.”

F. Outlook for loan quality on auto 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 | 13 | 21.7 | 4 | 13.8 | 9 | 29.0 |
| Loan quality is likely to stabilize around current levels | 42 | 70.0 | 22 | 75.9 | 20 | 64.5 |
| Loan quality is likely to deteriorate somewhat | 5 | 8.3 | 3 | 10.3 | 2 | 6.5 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 60 | 100.0 | 29 | 100.0 | 31 | 100.0 |

For this question, 5 respondents answered “My bank does not originate this type of loan.”

G. Outlook for loan quality on consumer loans other than credit card and auto 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 | 13 | 20.0 | 6 | 18.8 | 7 | 21.2 |
| Loan quality is likely to stabilize around current levels | 49 | 75.4 | 25 | 78.1 | 24 | 72.7 |
| Loan quality is likely to deteriorate somewhat | 3 | 4.6 | 1 | 3.1 | 2 | 6.1 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 65 | 100.0 | 32 | 100.0 | 33 | 100.0 |

For this question, 1 respondent answered “My bank does not originate this type of loan.”

---

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 September 30, 2012. The combined assets of the 35 large banks totaled $7.7 trillion, compared to $8.0 trillion for the entire panel of 68 banks, and $11.4 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 January 2013)

***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 | 1 | 4.5 |
| Remained basically unchanged | 20 | 90.9 |
| Eased somewhat | 1 | 4.5 |
| Eased considerably | 0 | 0.0 |
| **Total** | 22 | 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 | 1 | 4.5 |
| Remained basically unchanged | 17 | 77.3 |
| Eased somewhat | 4 | 18.2 |
| Eased considerably | 0 | 0.0 |
| **Total** | 22 | 100.0 |

b. Maximum maturity of loans or credit lines

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 2 | 9.1 |
| Remained basically unchanged | 20 | 90.9 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| **Total** | 22 | 100.0 |

c. Costs of credit lines

| | All Respondents | |
| --- | --- | --- |
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 4.5 |
| Remained basically unchanged | 18 | 81.8 |
| Eased somewhat | 3 | 13.6 |
| Eased considerably | 0 | 0.0 |
| **Total** | 22 | 100.0 |

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

| | All Respondents | |
| --- | --- | --- |
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 2 | 9.1 |
| Remained basically unchanged | 12 | 54.5 |
| Eased somewhat | 8 | 36.4 |
| Eased considerably | 0 | 0.0 |
| **Total** | 22 | 100.0 |

e. Premiums charged on riskier loans

| | All Respondents | |
|---|---|---|
| | Banks | Percent |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 4.5 |
| Remained basically unchanged | 18 | 81.8 |
| Eased somewhat | 3 | 13.6 |
| Eased considerably | 0 | 0.0 |
| **Total** | 22 | 100.0 |

f. Loan covenants

| | All Respondents | |
|---|---|---|
| | Banks | Percent |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 20 | 90.9 |
| Eased somewhat | 2 | 9.1 |
| Eased considerably | 0 | 0.0 |
| **Total** | 22 | 100.0 |

g. Collateralization requirements

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 22 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| **Total** | 22 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 4.8 |
| Remained basically unchanged | 19 | 90.5 |
| Eased somewhat | 1 | 4.8 |
| Eased considerably | 0 | 0.0 |
| **Total** | 21 | 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 | 3 | 60.0 |
| Somewhat important | 2 | 40.0 |
| Very important | 0 | 0.0 |
| **Total** | 5 | 100.0 |

b. Less favorable or more uncertain economic outlook

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 1 | 20.0 |
| Somewhat important | 3 | 60.0 |
| Very important | 1 | 20.0 |
| **Total** | 5 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 4 | 80.0 |
| Somewhat important | 1 | 20.0 |
| Very important | 0 | 0.0 |
| **Total** | 5 | 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 | 3 | 60.0 |
| Somewhat important | 2 | 40.0 |
| Very important | 0 | 0.0 |
| **Total** | 5 | 100.0 |

e. Reduced tolerance for risk

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

f. Decreased liquidity in the secondary market for these loans

| | All Respondents | |
|---|---|---|
| | Banks | Percent |
| Not important | 3 | 60.0 |
| Somewhat important | 2 | 40.0 |
| Very important | 0 | 0.0 |
| **Total** | 5 | 100.0 |

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

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

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 4 | 80.0 |
| Somewhat important | 1 | 20.0 |
| Very important | 0 | 0.0 |
| **Total** | 5 | 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 | 9 | 81.8 |
| Somewhat important | 2 | 18.2 |
| Very important | 0 | 0.0 |
| **Total** | 11 | 100.0 |

b. More favorable or less uncertain economic outlook

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

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 11 | 100.0 |
| Somewhat important | 0 | 0.0 |
| 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 | 4 | 36.4 |
| Somewhat important | 2 | 18.2 |
| Very important | 5 | 45.5 |
| **Total** | 11 | 100.0 |

e. Increased tolerance for risk

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 9 | 81.8 |
| Somewhat important | 2 | 18.2 |
| 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 | 7 | 63.6 |
| Somewhat important | 4 | 36.4 |
| Very important | 0 | 0.0 |
| **Total** | 11 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 10 | 90.9 |
| Somewhat important | 1 | 9.1 |
| Very important | 0 | 0.0 |
| **Total** | 11 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | Banks | Percent |
| Not important | 11 | 100.0 |
| Somewhat important | 0 | 0.0 |
| 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 | 4 | 18.2 |
| About the same | 18 | 81.8 |
| Moderately weaker | 0 | 0.0 |
| Substantially weaker | 0 | 0.0 |
| **Total** | 22 | 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 | 3 | 75.0 |
| Somewhat important | 1 | 25.0 |
| Very important | 0 | 0.0 |
| **Total** | 4 | 100.0 |

b. Customer accounts receivable financing needs increased

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

c. Customer investment in plant or equipment increased

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 2 | 50.0 |
| Somewhat important | 2 | 50.0 |
| Very important | 0 | 0.0 |
| **Total** | 4 | 100.0 |

d. Customer internally generated funds decreased

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

e. Customer merger or acquisition financing needs increased

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

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

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

g. Customers' precautionary demand for cash and liquidity increased

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

h. Customers transitioned from commercial real estate loans to C&I loans

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

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

a. Customer inventory financing needs decreased

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

b. Customer accounts receivable financing needs decreased

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

c. Customer investment in plant or equipment decreased

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

d. Customer internally generated funds increased

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

e. Customer merger or acquisition financing needs decreased

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

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

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

g. Customers' precautionary demand for cash and liquidity decreased

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

h. Customers transitioned from C&I loans to commercial real estate loans

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

6. At your bank, apart from normal seasonal variation, how has the number of inquiries from potential business borrowers regarding the availability and terms of new credit lines or increases in existing lines changed over the past three months? (Please consider only inquiries for additional or increased C&I lines as opposed to the refinancing of existing loans.)

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| The number of inquiries has increased substantially | 0 | 0.0 |
| The number of inquiries has increased moderately | 3 | 13.6 |
| The number of inquiries has stayed about the same | 19 | 86.4 |
| The number of inquiries has decreased moderately | 0 | 0.0 |
| The number of inquiries has decreased substantially | 0 | 0.0 |
| **Total** | 22 | 100.0 |

*The ongoing fiscal and financial strains in Europe may have affected lending conditions and funding options for banks headquartered in Europe and their affiliates and subsidiaries.* ***Question 7*** *addresses changes in your bank's lending policies toward these banking organizations over the past three months.* ***Question 8*** *addresses changes in these organizations' demand for funding.*

*In answering these questions, please consider banks headquartered in Europe and affiliates and subsidiaries of European banks regardless of the location of those affiliates and subsidiaries.*

7. Over the past three months, how have your bank's credit standards and terms for approving applications for loans or credit lines to banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions) changed?

| | **All Respondents** | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 13 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| **Total** | 13 | 100.0 |

For this question, 8 respondents answered "My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries."

8. Over the past three months and apart from normal seasonal variation, how has demand for loans at your bank from banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions) changed? (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 | 2 | 15.4 |
| About the same | 10 | 76.9 |
| Moderately weaker | 1 | 7.7 |
| Substantially weaker | 0 | 0.0 |
| **Total** | 13 | 100.0 |

For this question, 8 respondents answered "My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries."

***Questions 9-10*** *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 9 deals with changes in your bank's standards over the past three months. Question 10 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.*

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 92.3 |
| Eased somewhat | 1 | 7.7 |
| Eased considerably | 0 | 0.0 |
| **Total** | 13 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Substantially stronger | 3 | 23.1 |
| Moderately stronger | 4 | 30.8 |
| About the same | 6 | 46.2 |
| Moderately weaker | 0 | 0.0 |
| Substantially weaker | 0 | 0.0 |
| **Total** | 13 | 100.0 |

***Question 11*** *focuses on changes in your bank's policies on CRE loans over the past year. If your bank's lending policies have not changed over the past year, please report them as unchanged even if they are either restrictive or accomodative relative to longer-term norms. If your bank's policies have tightened or eased over the past year, please report these changes regardless of how your bank's policies stand relative to longer-term norms.*

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

a. Maximum loan size

| | **All Respondents** | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 10 | 83.3 |
| Eased somewhat | 2 | 16.7 |
| Eased considerably | 0 | 0.0 |
| **Total** | 12 | 100.0 |

b. Maximum loan maturity

| | **All Respondents** | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| **Total** | 12 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 2 | 16.7 |
| Remained basically unchanged | 5 | 41.7 |
| Eased somewhat | 5 | 41.7 |
| Eased considerably | 0 | 0.0 |
| **Total** | 12 | 100.0 |

d. Loan-to-value ratios

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 8.3 |
| Remained basically unchanged | 9 | 75.0 |
| Eased somewhat | 2 | 16.7 |
| Eased considerably | 0 | 0.0 |
| **Total** | 12 | 100.0 |

e. Requirements for take-out financing

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| **Total** | 12 | 100.0 |

f. Debt-service coverage ratios

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 8.3 |
| Remained basically unchanged | 9 | 75.0 |
| Eased somewhat | 2 | 16.7 |
| Eased considerably | 0 | 0.0 |
| **Total** | 12 | 100.0 |

***Questions 12-13*** *ask about your bank's expectations for the behavior of loan delinquencies and charge-offs in 2013. Question 12 asks about C&I loans to large and middle-market firms and to small firms. (Please refer to the definitions of large and middle-market firms and of small firms below. If your bank defines firm size differently from the categories suggested below, please use your definitions and indicate what they are.) Question 13 asks about CRE loans.*

12. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **C&I loans** to large and middle-market firms and to small firms in 2013?

A. Outlook for loan quality on C&I loans to large and middle-market firms (annual sales of $50 million or more):

| | **All Respondents** | |
|---|---|---|
| | **Banks** | **Percent** |
| Loan quality is likely to improve substantially | 0 | 0.0 |
| Loan quality is likely to improve somewhat | 6 | 27.3 |
| Loan quality is likely to stabilize around current levels | 14 | 63.6 |
| Loan quality is likely to deteriorate somewhat | 2 | 9.1 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 |
| **Total** | 22 | 100.0 |

B. Outlook for loan quality on C&I loans to small firms (annual sales of less than $50 million):

| | **All Respondents** | |
|---|---|---|
| | **Banks** | **Percent** |
| Loan quality is likely to improve substantially | 0 | 0.0 |
| Loan quality is likely to improve somewhat | 1 | 10.0 |
| Loan quality is likely to stabilize around current levels | 5 | 50.0 |
| Loan quality is likely to deteriorate somewhat | 4 | 40.0 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 |
| **Total** | 10 | 100.0 |

For this question, 12 respondents answered “My bank does not originate this type of loan.”

13. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **commercial real estate loans** in 2013?

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Loan quality is likely to improve substantially | 0 | 0.0 |
| Loan quality is likely to improve somewhat | 5 | 45.5 |
| Loan quality is likely to stabilize around current levels | 6 | 54.5 |
| Loan quality is likely to deteriorate somewhat | 0 | 0.0 |
| Loan quality is likely to deteriorate substantially | 0 | 0.0 |
| **Total** | 11 | 100.0 |

For this question, 9 respondents answered “My bank does not originate this type of loan.”

---

1. As of September 30, 2012, the 22 respondents had combined assets of $1.1 trillion, compared to $2.1 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.