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TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

Enclosed for distribution to respondents is a national summary of the July 2014 Senior Loan Officer Opinion Survey on Bank Lending Practices.

Enclosures:

July 2014 Senior Loan Officer Opinion Survey on Bank Lending Practices

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

The July 2014 Senior Loan Officer Opinion Survey on Bank Lending Practices

The July 2014 Senior Loan Officer Opinion Survey on Bank Lending Practices addressed changes in the standards and terms on, and demand for, bank loans to businesses and households over the past three months. This summary is based on the responses from 75 domestic banks and 23 U.S. branches and agencies of foreign banks.[1]

The July survey results showed a continued easing of lending standards and terms for many types of loan categories amid a broad-based pickup in loan demand. Domestic banks generally continued to ease their lending standards and various terms for commercial and industrial (C&I) loans.[2] In contrast, foreign banks reported little change in standards and in most of the surveyed terms for C&I loans on net. Domestic respondents, meanwhile, also reported having eased standards on most types of commercial real estate (CRE) loans on balance. Although many banks reported having eased standards for prime residential real estate (RRE) loans, respondents generally indicated little change in standards and terms for other types of loans to households. However, a few large banks had eased standards, increased credit limits, and reduced the minimum required credit score for credit card loans. Banks also reported having experienced stronger demand over the past three months, on net, for many more loan categories than on the April survey.[3]

The survey included a set of special questions on the effects on the approval rates for home-purchase loans of the Ability-to-Repay and Qualified Mortgage Standards under the Truth in Lending Act (the ATR/QM rule), which came into effect early this year.[4] The majority of banks reported that the new rule has had no effect on the approval rate of prime conforming mortgages, in part because those loans qualify for a safe harbor under the exemption for loans that meet the underwriting criteria of the government-sponsored housing enterprises (GSEs). In contrast, about half of the respondents indicated that the ATR/QM rule has reduced approval rates on applications for prime jumbo home-purchase loans and nontraditional mortgages.

Responses to a set of annual questions on the *level* of standards indicated that lending conditions had eased, on net, over the past year for many loan categories. As was the case in the July 2013 survey, domestic and foreign banks generally reported that standards for most categories of C&I loans were either

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[1] Respondent banks received the survey on or after July 1, 2014, and responses were due by July 15, 2014.

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

[3] For questions that asked about loan 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").

[4] The advance notice of proposed rulemaking for the ATR/QM rule was first issued on January 10, 2013. The final rule, amending certain provisions, was issued on September 13, 2013, and came into effect on January 10, 2014. The ATR/QM rule is composed of ATR provisions and QM provisions. Further information is available on the Consumer Financial Protection Bureau's website at www.consumerfinance.gov/regulations/ability-to-repay-and-qualified-mortgage-standards-under-the-truth-in-lending-act-regulation-z.

easier than or near the midpoints of their ranges over the past decade. After reporting that standards had eased on the quarterly surveys over the course of the past year, domestic banks also generally indicated that standards on most types of CRE loans were now easier than or near the midpoints of their ranges. However, despite shifts toward somewhat more accommodative credit policies for most types of loans to households, moderate to large fractions of banks continued to report that the levels of standards for all types of RRE and credit card loans were at least somewhat tighter than the midpoints of their bank's longer-term ranges.

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

Questions on commercial and industrial lending. As has been the case in each of the past three surveys, a small percentage of domestic respondents reported having eased standards on C&I loans, both to large and middle-market firms and to small firms, over the past three months.[5] In contrast, moderate to large fractions of banks reported having eased various price and nonprice terms on C&I loans on net. Of the terms included in the survey, banks continued to report the most widespread easing on spreads of C&I loan rates over banks' costs of funds. In addition, for all firm sizes, a significant fraction of banks reported having reduced the cost of credit lines and decreased the use of interest rate floors on balance. Although a more moderate fraction indicated having eased loan covenants, close to one-third of the large banks in the sample reported having done so for loans extended to large and middle-market firms over the past three months.[6] Most domestic respondents that reported having eased either standards or terms on C&I loans over the past three months continued to cite more-aggressive competition from other banks or nonbank lenders as an important reason for having done so. Smaller numbers of banks also attributed their easing to a more favorable or less uncertain economic outlook or to an increased tolerance for risk.

On the demand side, a significant fraction of banks reported having experienced stronger demand for C&I loans from firms of all sizes on balance. To explain the reported increase in loan demand, banks cited a wide range of customers' financing needs, particularly those related to investment in plant or equipment, accounts receivable, inventories, or mergers or acquisitions.

Most foreign survey respondents reported that C&I lending standards had remained basically unchanged, though several indicated having eased some terms. Only a few foreign banks reported stronger demand, while none reported weaker demand.

Questions on commercial real estate lending. A modest net fraction of domestic respondents reported that they had eased standards on construction and land development loans and loans secured by nonfarm nonresidential properties over the past three months. However, respondents indicated that standards for loans secured by multifamily residential properties were unchanged on net. For all three types of CRE loans, reports of stronger demand continued to outnumber reports of weaker demand.

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[5] The survey asked 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.

[6] Large banks are defined as those with total domestic assets of $20 billion or more as of March 31, 2014.

Lending to Households

(Table 1, questions 13–29)

Questions on residential real estate lending. A moderate net fraction of domestic banks reported having eased their standards on prime residential mortgages, on net, while most indicated that standards on nontraditional mortgages and home equity lines of credit (HELOCs) were relatively little changed. Banks reported having experienced stronger demand, on balance, for prime residential mortgages for the first time since a year ago, and for HELOCs for the first time since the October 2013 survey.

Special questions on the effects of the ATR/QM rule. The July survey included a set of special questions regarding the effects of the new ATR/QM rule on the approval rate for applications of various types of home-purchase loans.[7] Only a small fraction of large banks indicated in the survey that the new rule has affected their approval rates for prime conforming mortgages, while a more substantial share of the other respondents reported that the rules were lowering their approval rates on such loans. In addition, among the banks reporting that the rules had no effect on their approval rates, about half indicated that lending policies would have been tighter without the safe harbor for mortgages that pass the GSEs' automated underwriting models. In contrast, more than half of the respondents indicated that the ATR/QM rule has reduced approval rates on applications for prime jumbo home-purchase loans. Among the institutions indicating lower approval rates for such loans, most reported that each of the following provisions were important reasons for the lower approval rates: the ATR provisions that require mortgage originators to evaluate income and to assess credit history, assets, and debt payments; and the QM provision that caps the borrower's back-end debt-to-income ratio at 43 percent. Finally, more than half of the 36 respondents that originate nontraditional mortgages also indicated lower approval rates on nontraditional home-purchase loans due to the ATR/QM rule.

Questions on consumer lending. A modest net fraction of domestic respondents indicated that they were more willing to make consumer installment loans relative to three months ago. Most banks, however, reported that standards and the surveyed terms on various types of consumer loans were little changed. A few large banks reported having eased lending standards, increased credit limits, and lowered minimum required credit scores on credit card loans. Meanwhile, moderate fractions of banks reported having experienced stronger demand for each of the three types of consumer loans in the survey—credit card loans, auto loans, and other consumer loans. Only a few respondents reported that demand had weakened for any of these types of loans.

Special Questions on the Levels of Lending Standards

(Table 1, question 30; Table 2, question 9)

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[7] The ATR provisions require the creditor to make a "reasonable and good faith determination at or before consummation that the consumer will have a reasonable ability to repay the loan according to its terms" (Regulation Z—Truth in Lending, 12 C.F.R. pt. 1026 (2013)). These provisions generally require creditors to evaluate the borrower's credit history, assets, debt payments, income, and so on. The QM provisions provide banks with greater protection from certain types of litigation if complied with, and they include limits on debt-to-income ratios and risky features such as negative amortization, interest-only payment schedules, long durations, or high fees.

The July survey included a set of special questions that asked respondents to describe the current level of lending standards at their bank, rather than changes in standards over the survey period.[8] Specifically, for each loan category surveyed, respondents were asked to consider the range over which their bank's standards have varied between 2005 and the present and then to report where the current level of standards for such loans resides relative to the midpoint of that range.

Domestic banks and foreign institutions generally reported that lending standards on different kinds of C&I loans to large and middle-market firms (investment-grade syndicated loans, below-investment-grade syndicated loans, and other loans to large and middle-market firms) were currently at levels that were easier than or near the midpoints of the ranges that those standards have occupied since 2005. In particular, close to half of the large banks and foreign institutions reported that standards for syndicated loans to below-investment-grade firms were easier than the midpoint of their longer-term range. In contrast, a similar fraction of the other domestic respondents indicated that their standards on such loans were tighter than the midpoint of their range. Compared with the July 2013 survey, however, a smaller fraction of the large domestic respondents reported that standards on syndicated loans to below-investment-grade firms were easier than the midpoint of their longer-term range, while at other domestic banks and foreign institutions, this share was relatively little changed.

The majority of domestic respondents indicated that lending standards on loans both to small firms, with annual sales of less than $50 million, and very small firms, with annual sales of less than $5 million, were near the midpoints of their ranges since 2005.

Regarding the level of standards for CRE loans, domestic banks reported that the current level of standards on loans secured by multifamily properties and loans secured by nonfarm nonresidential properties were generally easier than or near the midpoints of their ranges. However, nearly half of the respondents reported that standards on construction and land development loans were tighter than the midpoints of their longer-term ranges. Compared with the results in the July 2013 survey, these results indicate an easing of credit conditions for all three types of CRE loans from the corresponding levels reported a year ago.

With respect to RRE loans, moderate to large net fractions of domestic banks reported that lending standards for all six categories of RRE loans included in the survey (prime conforming mortgages, mortgages guaranteed by the Federal Housing Administration or the U.S. Department of Veterans Affairs, prime jumbo mortgages, subprime mortgages, nontraditional mortgages, and HELOCs) remained at least somewhat tighter than the midpoints of the ranges that those standards have occupied since 2005. However, these results still indicate a net easing of credit conditions for RRE loans from the even tighter levels reported in the July 2013 survey.

As for consumer loans, a majority of the domestic respondents indicated that standards were near the midpoints of their longer-term ranges for prime credit card, prime auto, and other consumer loans. Compared with the results in the July 2013 survey, a smaller fraction of banks reported that their

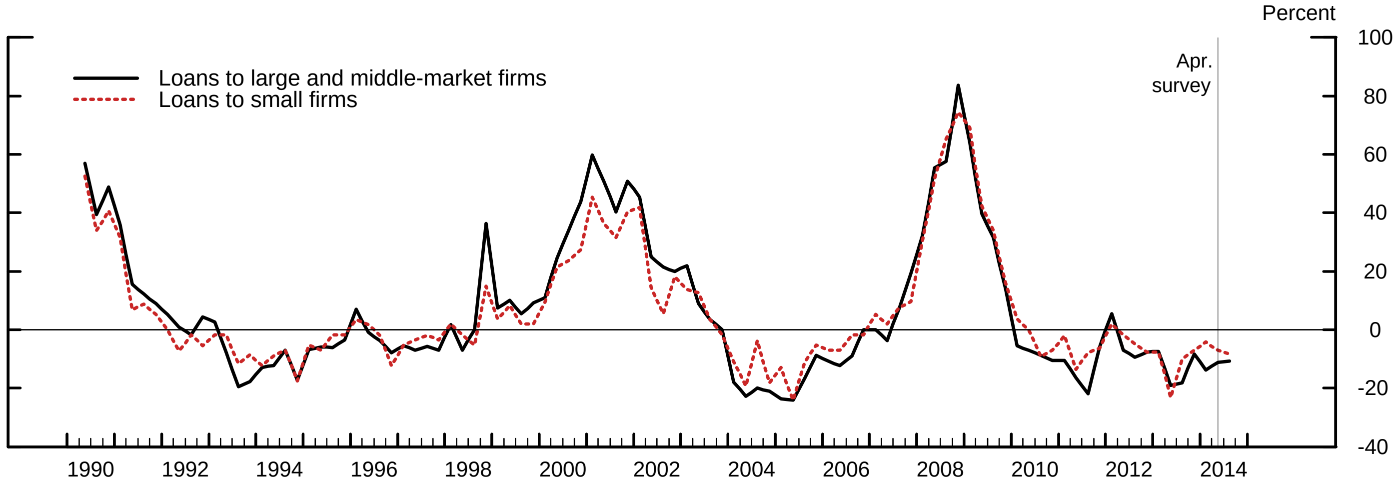
[8] This set of questions has been included annually since the July 2011 survey.

standards were tighter than their midpoints. Among the moderate number of banks that offer subprime auto loans, some indicated that standards for those loans were easier than the midpoint of their range since 2005, but, on net, standards on such loans were tighter than the midpoint of that range. Likewise, standards on subprime credit cards also appeared to have remained tighter than the midpoint of the range since 2005, on net.

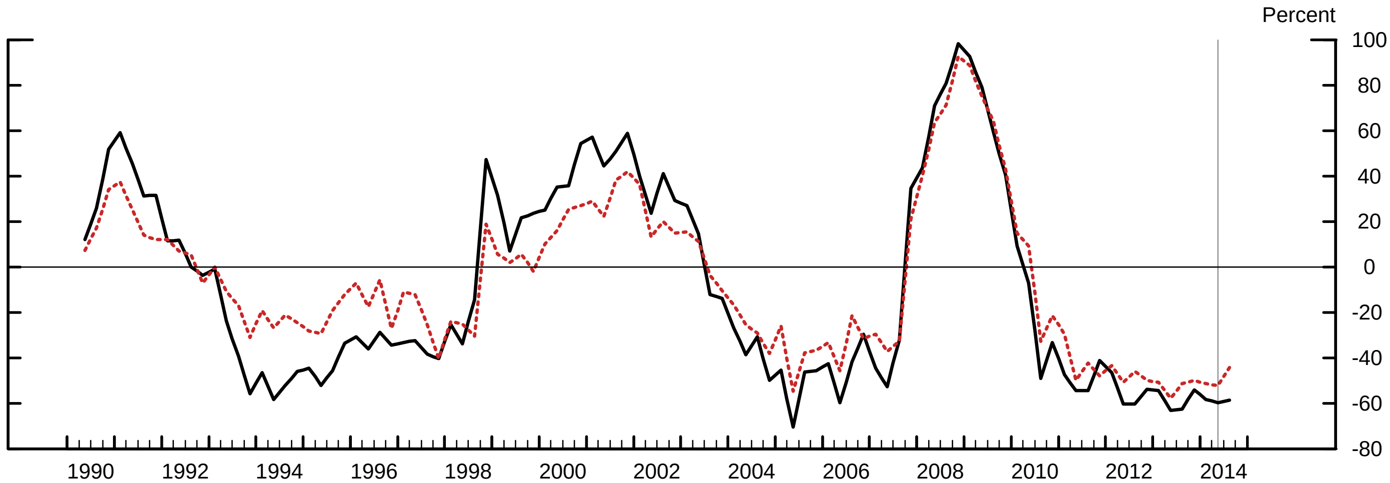
This document was prepared by Seung Jung Lee, with the assistance of Mike Massare and Shaily Patel, of the Division of Monetary Affairs, Board of Governors of the Federal Reserve System.

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

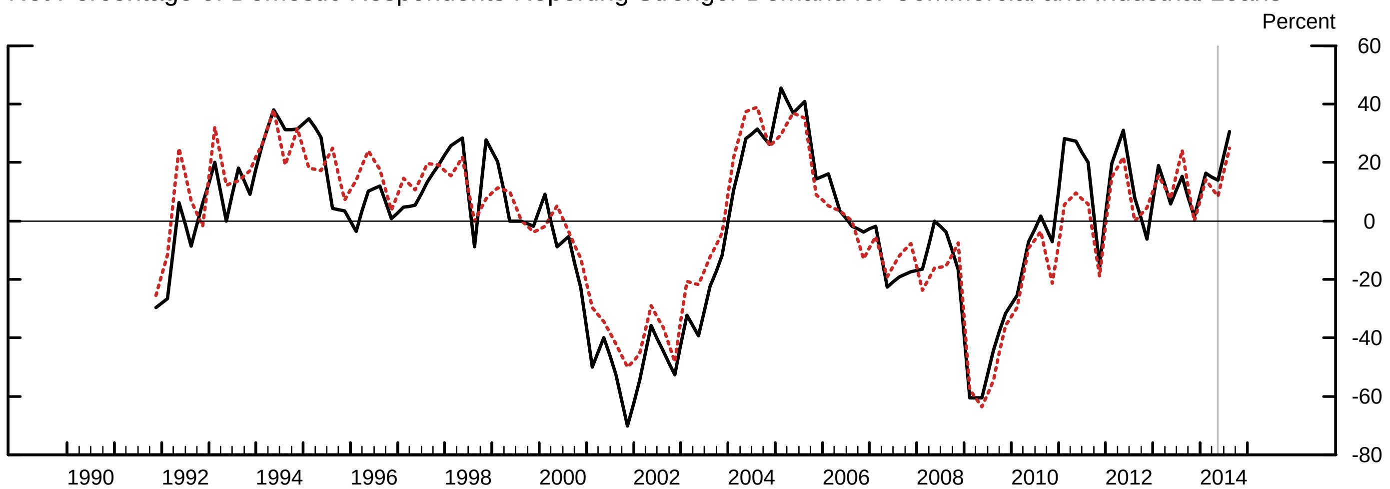
Net Percentage of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



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

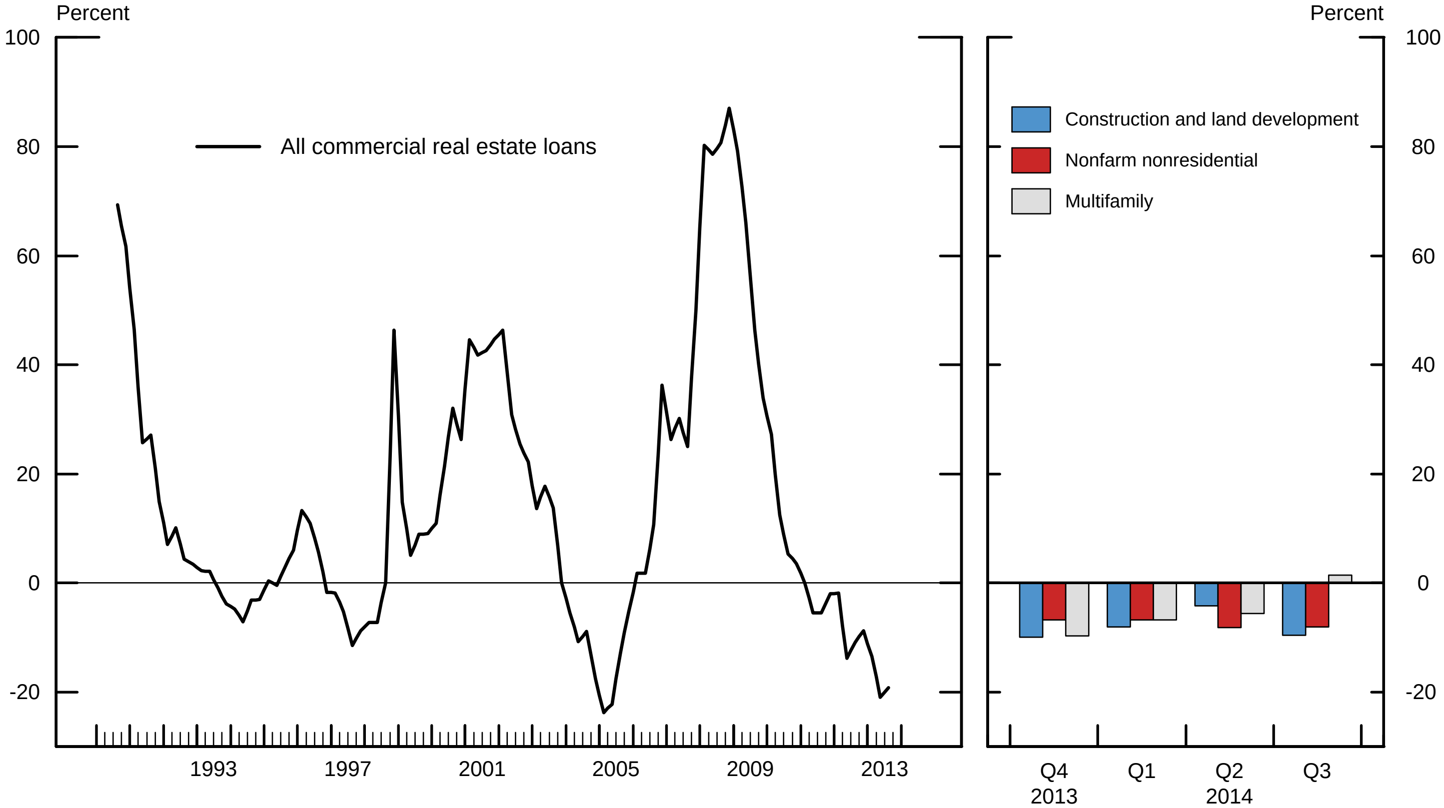


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans



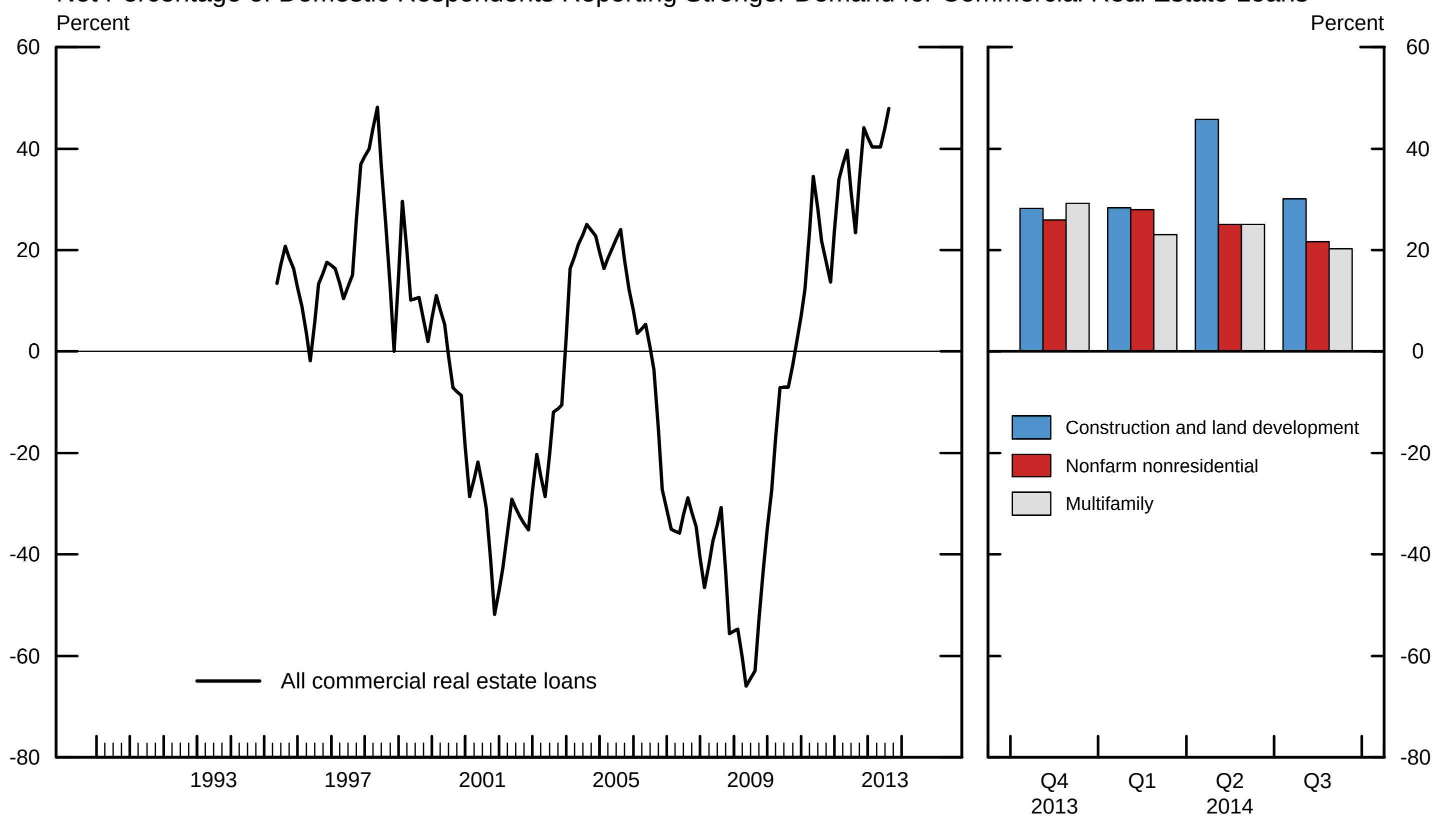
Measures of Supply and Demand for Commercial Real Estate Loans

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



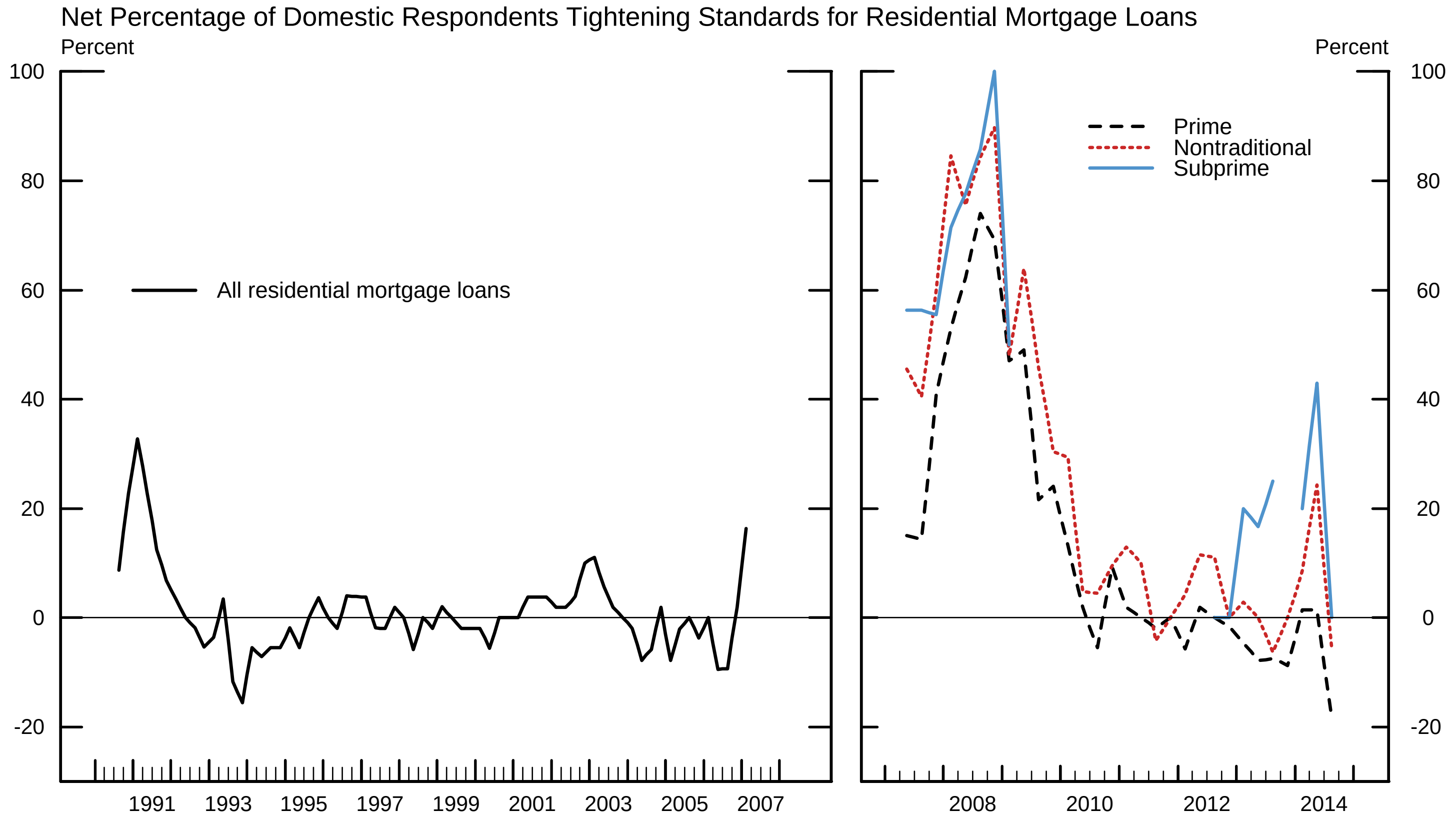
Note: For data starting in 2013:Q4, changes in standards for construction and land development, nonfarm nonresidential, and multifamily loans are reported separately.

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

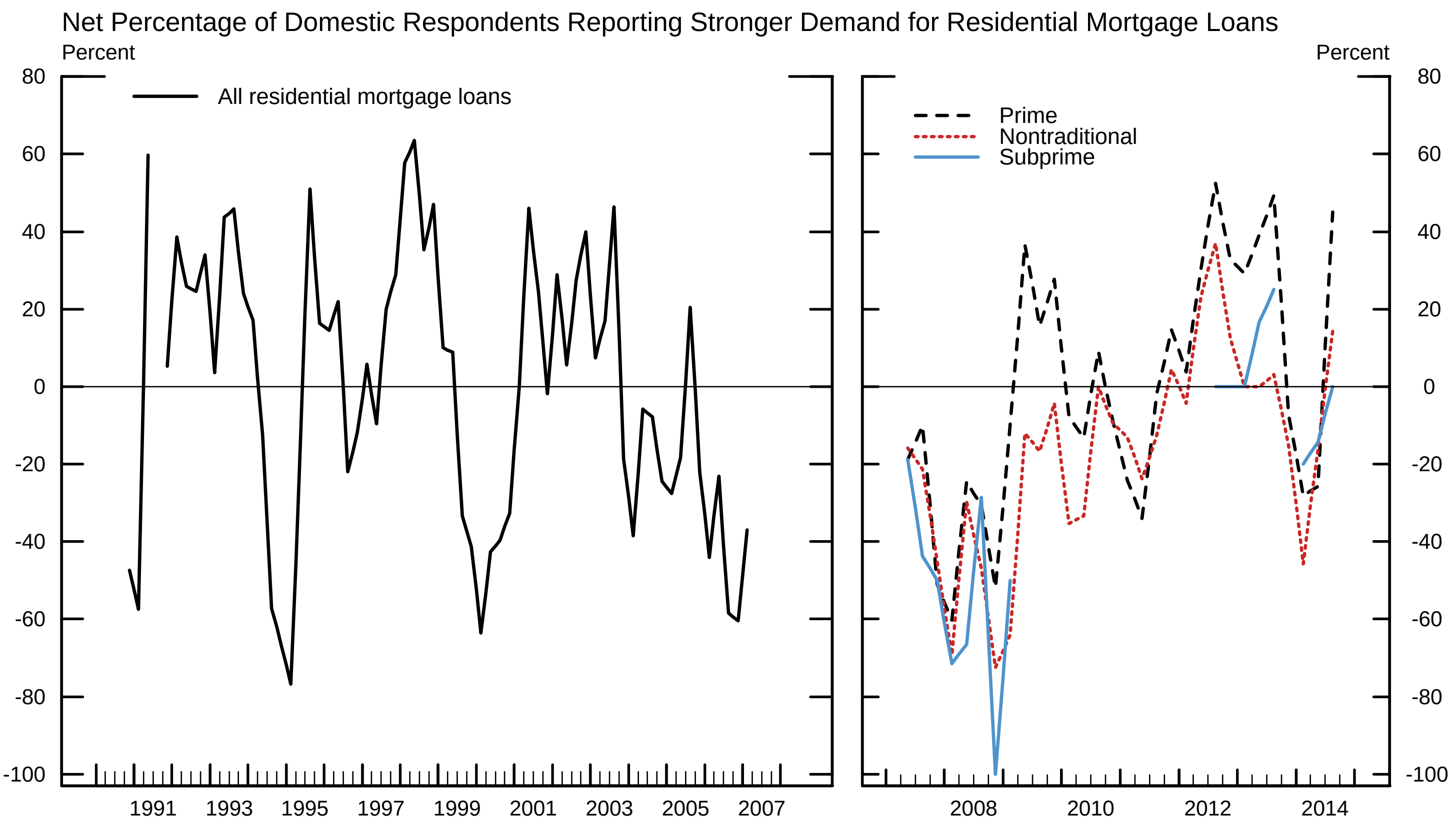


Note: For data starting in 2013:Q4, changes in demand for construction and land development, nonfarm nonresidential, and multifamily loans are reported separately.

Measures of Supply and Demand for Residential Mortgage Loans



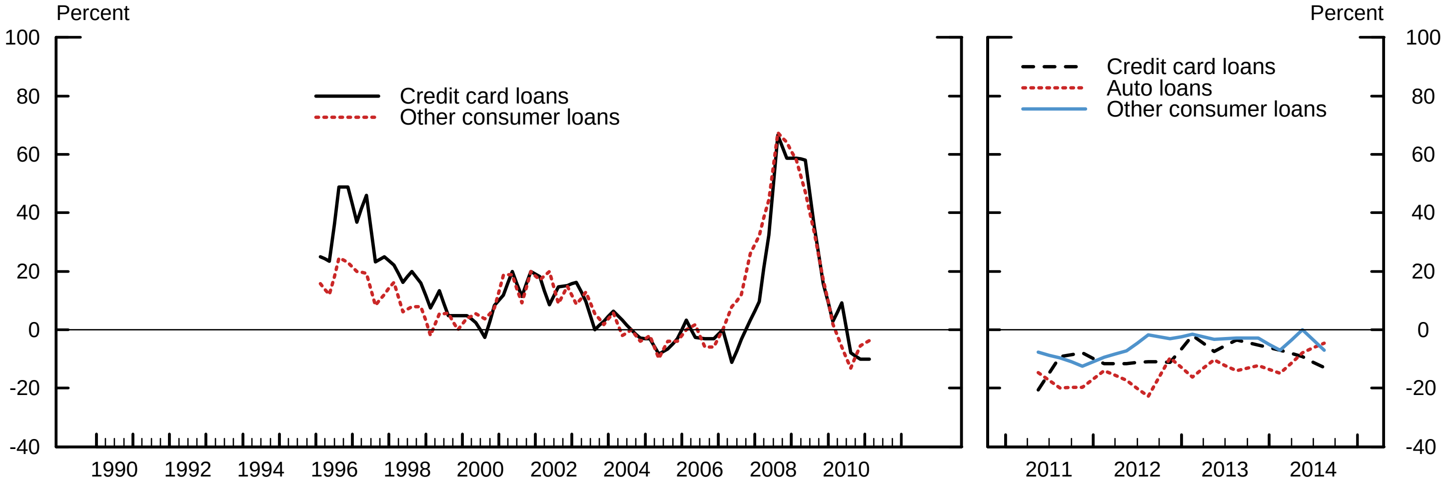
Note: For data starting in 2007:Q2, changes in standards for prime, nontraditional, and subprime mortgage loans are reported separately. Series are not reported when the number of respondents is three or fewer.



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.

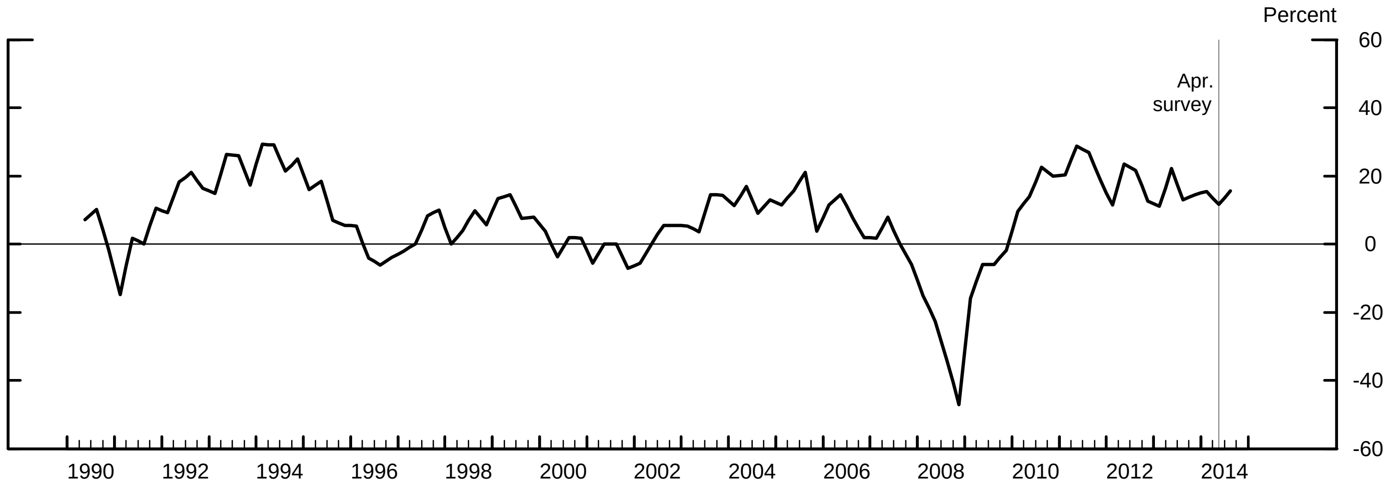
Measures of Supply and Demand for Consumer Loans

Net Percentage of Domestic Respondents Tightening Standards for Consumer Loans

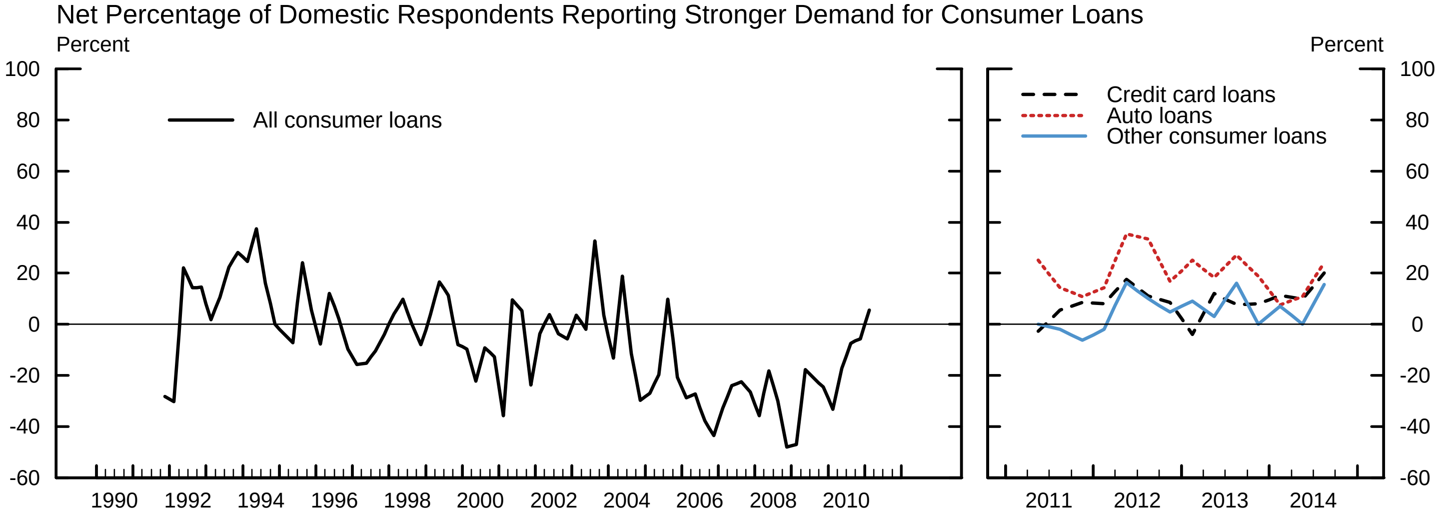


Note: For data starting in 2011:Q2, changes in standards for auto loans and consumer loans excluding credit card and auto loans are reported separately. In 2011:Q2 only, new and used auto loans are reported separately and equally weighted to calculate the auto loans series.

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 July 2014)

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	67	89.3	35	87.5	32	91.4
Eased somewhat	8	10.7	5	12.5	3	8.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	75	100.0	40	100.0	35	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	66	91.7	34	91.9	32	91.4
Eased somewhat	6	8.3	3	8.1	3	8.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	59	78.7	30	75.0	29	82.9
Eased somewhat	16	21.3	10	25.0	6	17.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	75	100.0	40	100.0	35	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	1	1.3	0	0.0	1	2.9
Remained basically unchanged	69	92.0	38	95.0	31	88.6
Eased somewhat	5	6.7	2	5.0	3	8.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	75	100.0	40	100.0	35	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	1.3	1	2.5	0	0.0
Remained basically unchanged	53	70.7	27	67.5	26	74.3
Eased somewhat	20	26.7	11	27.5	9	25.7
Eased considerably	1	1.3	1	2.5	0	0.0
Total	75	100.0	40	100.0	35	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	1.3	1	2.5	0	0.0
Remained basically unchanged	29	38.7	12	30.0	17	48.6
Eased somewhat	44	58.7	26	65.0	18	51.4
Eased considerably	1	1.3	1	2.5	0	0.0
Total	75	100.0	40	100.0	35	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	2.7	2	5.0	0	0.0
Remained basically unchanged	59	78.7	28	70.0	31	88.6
Eased somewhat	13	17.3	10	25.0	3	8.6
Eased considerably	1	1.3	0	0.0	1	2.9
Total	75	100.0	40	100.0	35	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	1	1.3	0	0.0	1	2.9
Remained basically unchanged	60	80.0	28	70.0	32	91.4
Eased somewhat	14	18.7	12	30.0	2	5.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	75	100.0	40	100.0	35	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	70	93.3	37	92.5	33	94.3
Eased somewhat	5	6.7	3	7.5	2	5.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	75	100.0	40	100.0	35	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	55	74.3	32	82.1	23	65.7
Eased somewhat	13	17.6	5	12.8	8	22.9
Eased considerably	6	8.1	2	5.1	4	11.4
Total	74	100.0	39	100.0	35	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	66	91.7	36	97.3	30	85.7
Eased somewhat	6	8.3	1	2.7	5	14.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	1	1.4	0	0.0	1	2.9
Remained basically unchanged	64	88.9	34	91.9	30	85.7
Eased somewhat	7	9.7	3	8.1	4	11.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	1.4	1	2.7	0	0.0
Remained basically unchanged	55	76.4	27	73.0	28	80.0
Eased somewhat	16	22.2	9	24.3	7	20.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	2	2.8	1	2.7	1	2.9
Remained basically unchanged	36	50.0	18	48.6	18	51.4
Eased somewhat	34	47.2	18	48.6	16	45.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	3	4.2	2	5.4	1	2.9
Remained basically unchanged	59	81.9	29	78.4	30	85.7
Eased somewhat	9	12.5	6	16.2	3	8.6
Eased considerably	1	1.4	0	0.0	1	2.9
Total	72	100.0	37	100.0	35	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	1	1.4	0	0.0	1	2.9
Remained basically unchanged	58	80.6	27	73.0	31	88.6
Eased somewhat	13	18.1	10	27.0	3	8.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	67	93.1	33	89.2	34	97.1
Eased somewhat	5	6.9	4	10.8	1	2.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	49	70.0	27	77.1	22	62.9
Eased somewhat	16	22.9	6	17.1	10	28.6
Eased considerably	5	7.1	2	5.7	3	8.6
Total	70	100.0	35	100.0	35	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	5	83.3	1	50.0	4	100.0
Somewhat important	1	16.7	1	50.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	6	100.0	2	100.0	4	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	6	100.0	2	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	6	100.0	2	100.0	4	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	5	83.3	2	100.0	3	75.0
Somewhat important	1	16.7	0	0.0	1	25.0
Very important	0	0.0	0	0.0	0	0.0
Total	6	100.0	2	100.0	4	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	5	83.3	1	50.0	4	100.0
Somewhat important	1	16.7	1	50.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	6	100.0	2	100.0	4	100.0

e. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	5	83.3	2	100.0	3	75.0
Somewhat important	1	16.7	0	0.0	1	25.0
Very important	0	0.0	0	0.0	0	0.0
Total	6	100.0	2	100.0	4	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	6	100.0	2	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	6	100.0	2	100.0	4	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	6	100.0	2	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	6	100.0	2	100.0	4	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	5	83.3	2	100.0	3	75.0
Somewhat important	1	16.7	0	0.0	1	25.0
Very important	0	0.0	0	0.0	0	0.0
Total	6	100.0	2	100.0	4	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	42	87.5	25	89.3	17	85.0
Somewhat important	6	12.5	3	10.7	3	15.0
Very important	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	100.0

b. More favorable or less uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	24	50.0	14	50.0	10	50.0
Somewhat important	23	47.9	14	50.0	9	45.0
Very important	1	2.1	0	0.0	1	5.0
Total	48	100.0	28	100.0	20	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	39	81.3	25	89.3	14	70.0
Somewhat important	9	18.8	3	10.7	6	30.0
Very important	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	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	1	2.1	1	3.6	0	0.0
Somewhat important	14	29.2	6	21.4	8	40.0
Very important	33	68.8	21	75.0	12	60.0
Total	48	100.0	28	100.0	20	100.0

e. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	37	77.1	21	75.0	16	80.0
Somewhat important	11	22.9	7	25.0	4	20.0
Very important	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	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	36	75.0	22	78.6	14	70.0
Somewhat important	12	25.0	6	21.4	6	30.0
Very important	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	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	42	87.5	25	89.3	17	85.0
Somewhat important	5	10.4	2	7.1	3	15.0
Very important	1	2.1	1	3.6	0	0.0
Total	48	100.0	28	100.0	20	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	45	93.8	26	92.9	19	95.0
Somewhat important	2	4.2	1	3.6	1	5.0
Very important	1	2.1	1	3.6	0	0.0
Total	48	100.0	28	100.0	20	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	1	1.3	1	2.5	0	0.0
Moderately stronger	26	34.7	17	42.5	9	25.7
About the same	44	58.7	21	52.5	23	65.7
Moderately weaker	4	5.3	1	2.5	3	8.6
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	75	100.0	40	100.0	35	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	22	30.6	9	24.3	13	37.1
About the same	46	63.9	27	73.0	19	54.3
Moderately weaker	4	5.6	1	2.7	3	8.6
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	72	100.0	37	100.0	35	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	11	34.4	7	38.9	4	28.6
Somewhat important	19	59.4	11	61.1	8	57.1
Very important	2	6.3	0	0.0	2	14.3
Total	32	100.0	18	100.0	14	100.0

b. Customer accounts receivable financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	9	28.1	7	38.9	2	14.3
Somewhat important	20	62.5	11	61.1	9	64.3
Very important	3	9.4	0	0.0	3	21.4
Total	32	100.0	18	100.0	14	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	21.9	5	27.8	2	14.3
Somewhat important	22	68.8	13	72.2	9	64.3
Very important	3	9.4	0	0.0	3	21.4
Total	32	100.0	18	100.0	14	100.0

d. Customer internally generated funds decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	26	83.9	15	83.3	11	84.6
Somewhat important	4	12.9	3	16.7	1	7.7
Very important	1	3.2	0	0.0	1	7.7
Total	31	100.0	18	100.0	13	100.0

e. Customer merger or acquisition financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	11	35.5	3	16.7	8	61.5
Somewhat important	14	45.2	10	55.6	4	30.8
Very important	6	19.4	5	27.8	1	7.7
Total	31	100.0	18	100.0	13	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	17	54.8	9	50.0	8	61.5
Somewhat important	10	32.3	7	38.9	3	23.1
Very important	4	12.9	2	11.1	2	15.4
Total	31	100.0	18	100.0	13	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	25	80.6	15	83.3	10	76.9
Somewhat important	4	12.9	2	11.1	2	15.4
Very important	2	6.5	1	5.6	1	7.7
Total	31	100.0	18	100.0	13	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	3	60.0	0	0.0	3	75.0
Somewhat important	2	40.0	1	100.0	1	25.0
Very important	0	0.0	0	0.0	0	0.0
Total	5	100.0	1	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	3	60.0	0	0.0	3	75.0
Somewhat important	2	40.0	1	100.0	1	25.0
Very important	0	0.0	0	0.0	0	0.0
Total	5	100.0	1	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	40.0	0	0.0	2	50.0
Somewhat important	2	40.0	0	0.0	2	50.0
Very important	1	20.0	1	100.0	0	0.0
Total	5	100.0	1	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	4	80.0	1	100.0	3	75.0
Somewhat important	1	20.0	0	0.0	1	25.0
Very important	0	0.0	0	0.0	0	0.0
Total	5	100.0	1	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	3	60.0	0	0.0	3	75.0
Somewhat important	2	40.0	1	100.0	1	25.0
Very important	0	0.0	0	0.0	0	0.0
Total	5	100.0	1	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	4	80.0	1	100.0	3	75.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	1	20.0	0	0.0	1	25.0
Total	5	100.0	1	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	3	60.0	0	0.0	3	75.0
Somewhat important	2	40.0	1	100.0	1	25.0
Very important	0	0.0	0	0.0	0	0.0
Total	5	100.0	1	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	1.3	1	2.5	0	0.0
The number of inquiries has increased moderately	31	41.3	15	37.5	16	45.7
The number of inquiries has stayed about the same	41	54.7	24	60.0	17	48.6
The number of inquiries has decreased moderately	2	2.7	0	0.0	2	5.7
The number of inquiries has decreased substantially	0	0.0	0	0.0	0	0.0
Total	75	100.0	40	100.0	35	100.0

Questions 7-12 *ask about changes in standards and demand over the* ***past three months*** *for three different types of CRE loans at your bank: construction and land development loans, loans secured by nonfarm nonresidential properties, and loans secured by multifamily residential properties. Please report changes in enforcement of existing policies as changes in policies.*

7. Over the past three months, how have your bank's credit standards for approving new applications for construction and land development loans or credit lines changed?

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.4	0	0.0	1	2.9
Remained basically unchanged	64	87.7	32	84.2	32	91.4
Eased somewhat	8	11.0	6	15.8	2	5.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	73	100.0	38	100.0	35	100.0

8. Over the past three months, how have your bank's credit standards for approving new applications for loans secured by nonfarm nonresidential properties changed?

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	2.7	0	0.0	2	5.7
Remained basically unchanged	64	86.5	33	84.6	31	88.6
Eased somewhat	8	10.8	6	15.4	2	5.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	74	100.0	39	100.0	35	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	8	10.8	5	12.8	3	8.6
Remained basically unchanged	59	79.7	29	74.4	30	85.7
Eased somewhat	7	9.5	5	12.8	2	5.7
Eased considerably	0	0.0	0	0.0	0	0.0
Total	74	100.0	39	100.0	35	100.0

10. Apart from normal seasonal variation, how has demand for construction and land development loans changed over the past three months? (Please consider the number of requests for new spot loans, for disbursement of funds under existing loan commitments, and for new or increased credit lines.)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	24	32.9	10	26.3	14	40.0
About the same	47	64.4	28	73.7	19	54.3
Moderately weaker	2	2.7	0	0.0	2	5.7
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	73	100.0	38	100.0	35	100.0

11. Apart from normal seasonal variation, how has demand for loans secured by nonfarm nonresidential properties changed over the past three months? (Please consider the number of requests for new spot loans, for disbursement of funds under existing loan commitments, and for new or increased credit lines.)

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	1	1.4	1	2.6	0	0.0
Moderately stronger	17	23.0	10	25.6	7	20.0
About the same	54	73.0	28	71.8	26	74.3
Moderately weaker	2	2.7	0	0.0	2	5.7
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	74	100.0	39	100.0	35	100.0

12. Apart from normal seasonal variation, how has demand for loans secured by multifamily residential properties changed over the past three months? (Please consider the number of requests for new spot loans, for disbursement of funds under existing loan commitments, and for new or increased credit lines.)

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	17	23.0	8	20.5	9	25.7
About the same	55	74.3	30	76.9	25	71.4
Moderately weaker	2	2.7	1	2.6	1	2.9
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	74	100.0	39	100.0	35	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	2	2.8	1	2.8	1	2.9
Tightened somewhat	2	2.8	0	0.0	2	5.7
Remained basically unchanged	50	70.4	21	58.3	29	82.9
Eased somewhat	17	23.9	14	38.9	3	8.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	100.0	35	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	8.3	1	5.6	2	11.1
Remained basically unchanged	28	77.8	13	72.2	15	83.3
Eased somewhat	5	13.9	4	22.2	1	5.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	36	100.0	18	100.0	18	100.0

For this question, 35 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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	4	100.0	1	100.0	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	4	100.0	1	100.0	3	100.0

For this question, 66 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	2	2.8	0	0.0	2	5.7
Moderately stronger	35	49.3	21	58.3	14	40.0
About the same	29	40.8	13	36.1	16	45.7
Moderately weaker	5	7.0	2	5.6	3	8.6
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	100.0	35	100.0

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	6	17.1	2	11.1	4	23.5
About the same	28	80.0	15	83.3	13	76.5
Moderately weaker	1	2.9	1	5.6	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	35	100.0	18	100.0	17	100.0

For this question, 36 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	4	100.0	1	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	4	100.0	1	100.0	3	100.0

For this question, 66 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	4.2	2	5.4	1	2.9
Remained basically unchanged	62	87.3	32	86.5	30	88.2
Eased somewhat	6	8.5	3	8.1	3	8.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	37	100.0	34	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	2	2.8	0	0.0	2	5.9
Moderately stronger	22	31.0	16	43.2	6	17.6
About the same	42	59.2	19	51.4	23	67.6
Moderately weaker	4	5.6	2	5.4	2	5.9
Substantially weaker	1	1.4	0	0.0	1	2.9
Total	71	100.0	37	100.0	34	100.0

The Consumer Financial Protection Bureau (CFPB)'s Ability-to-Repay and Qualified Mortgage Standards Under the Truth in Lending Act (hereafter, the ATR/QM rule) became effective on January 10, 2014. ***Questions 17-19*** *ask whether the ATR/QM rule is currently affecting the likelihood of your bank approving applications from individuals for mortgage loans to purchase homes and, if so, which of the ATR/QM rule's provisions may be affecting your bank's lending policies for such loans.*

17. Please indicate the extent to which the ATR/QM rule is affecting the likelihood of your bank approving applications from individuals for mortgage loans to purchase homes for each of the following categories of residential real estate loans.

a. Home purchase loans that your bank categorizes as prime residential mortgages (as described in questions 13A and 14A) with principal balances less than or equal to the conforming loan limits announced by the FHFA and associated with a borrower who has a FICO score (or equivalent) of less than or equal to 680[2]

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
The approval rate is much lower than it would be otherwise be	2	2.9	1	2.8	1	2.9
The approval rate is somewhat lower than it would otherwise be	23	32.9	7	19.4	16	47.1
The approval rate is about the same	44	62.9	28	77.8	16	47.1
The approval rate is somewhat higher than it would otherwise be	1	1.4	0	0.0	1	2.9
The approval rate is much higher than it would otherwise be	0	0.0	0	0.0	0	0.0
Not sure/unknown	0	0.0	0	0.0	0	0.0
Total	70	100.0	36	100.0	34	100.0

b. Home purchase loans that your bank categorizes as prime residential mortgages (as described in questions 13A and 14A) with principal balances less than or equal to the conforming loan limits announced by the FHFA and associated with a borrower who has a FICO score (or equivalent) of greater than 680

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
The approval rate is much lower than it would be otherwise be	0	0.0	0	0.0	0	0.0
The approval rate is somewhat lower than it would otherwise be	22	31.4	7	19.4	15	44.1
The approval rate is about the same	46	65.7	28	77.8	18	52.9
The approval rate is somewhat higher than it would otherwise be	2	2.9	1	2.8	1	2.9
The approval rate is much higher than it would otherwise be	0	0.0	0	0.0	0	0.0
Not sure/unknown	0	0.0	0	0.0	0	0.0
Total	70	100.0	36	100.0	34	100.0

c. Home purchase loans that your bank categorizes as prime residential mortgages (as described in questions 13A and 14A) with principal balances greater than the conforming loan limits announced by the FHFA

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
The approval rate is much lower than it would be otherwise be	3	4.5	1	2.8	2	6.5
The approval rate is somewhat lower than it would otherwise be	32	47.8	16	44.4	16	51.6
The approval rate is about the same	30	44.8	18	50.0	12	38.7
The approval rate is somewhat higher than it would otherwise be	2	3.0	1	2.8	1	3.2
The approval rate is much higher than it would otherwise be	0	0.0	0	0.0	0	0.0
Not sure/unknown	1	1.5	0	0.0	1	3.2
Total	67	100.0	36	100.0	31	100.0

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

d. Home purchase loans that your bank categorizes as nontraditional residential mortgages (as described in questions 13B and 14B)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
The approval rate is much lower than it would be otherwise be	2	5.6	1	5.6	1	5.6
The approval rate is somewhat lower than it would otherwise be	17	47.2	6	33.3	11	61.1
The approval rate is about the same	16	44.4	11	61.1	5	27.8
The approval rate is somewhat higher than it would otherwise be	1	2.8	0	0.0	1	5.6
The approval rate is much higher than it would otherwise be	0	0.0	0	0.0	0	0.0
Not sure/unknown	1	2.8	0	0.0	1	5.6
Total	36	100.0	18	100.0	18	100.0

For this question, 27 respondents answered “My bank does not originate this type of loan.”

18. For each type of home purchase loan that you indicated having a **lower approval rate** due to the ATR/QM rule (answers of 1 or 2 in question 17), please indicate the importance of the following provisions of the ATR/QM rule in setting your bank's lending policies.

A. Home purchase loans that your bank categorizes as prime residential mortgages (as described in questions 13A and 14A) with principal balances **less than or equal to** the conforming loan limits announced by the FHFA and associated with a borrower who has a FICO score (or equivalent) of **less than or equal to** 680:

a. The creditor must evaluate and document the borrower's credit history, assets, and debt payments

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank's lower approval rate)	6	24.0	3	37.5	3	17.6
Somewhat important	7	28.0	3	37.5	4	23.5
Very important	9	36.0	2	25.0	7	41.2
The most important	3	12.0	0	0.0	3	17.6
Total	25	100.0	8	100.0	17	100.0

b. The creditor must evaulate the borrower's current and expected income

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank's lower approval rate)	4	16.0	2	25.0	2	11.8
Somewhat important	6	24.0	3	37.5	3	17.6
Very important	8	32.0	2	25.0	6	35.3
The most important	7	28.0	1	12.5	6	35.3
Total	25	100.0	8	100.0	17	100.0

c. The borrower's debt to income ratio should not exceed 43 percent

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	4	16.0	0	0.0	4	23.5
Somewhat important	9	36.0	4	50.0	5	29.4
Very important	8	32.0	1	12.5	7	41.2
The most important	4	16.0	3	37.5	1	5.9
Total	25	100.0	8	100.0	17	100.0

d. Interest only, negative amortization, and balloon mortgages are not permitted

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	16	64.0	7	87.5	9	52.9
Somewhat important	3	12.0	0	0.0	3	17.6
Very important	4	16.0	0	0.0	4	23.5
The most important	2	8.0	1	12.5	1	5.9
Total	25	100.0	8	100.0	17	100.0

e. Total points and fees must not exceed 3 percent of the loan amount

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	13	52.0	3	37.5	10	58.8
Somewhat important	5	20.0	3	37.5	2	11.8
Very important	4	16.0	0	0.0	4	23.5
The most important	3	12.0	2	25.0	1	5.9
Total	25	100.0	8	100.0	17	100.0

f. Mortgages with an annual percentage rate more than 150 basis points over the average prime offer rate will not qualify for the safe harbor

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank's lower approval rate)	12	48.0	4	50.0	8	47.1
Somewhat important	6	24.0	2	25.0	4	23.5
Very important	6	24.0	1	12.5	5	29.4
The most important	1	4.0	1	12.5	0	0.0
Total	25	100.0	8	100.0	17	100.0

B. Home purchase loans that your bank categorizes as prime residential mortgages (as described in questions 13A and 14A) with principal balances **less than or equal to** the conforming loan limits announced by the FHFA and associated with a borrower who has a FICO score (or equivalent) of **greater than** 680:

a. The creditor must evaluate and document the borrower's credit history, assets, and debt payments

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank's lower approval rate)	5	21.7	2	25.0	3	20.0
Somewhat important	7	30.4	4	50.0	3	20.0
Very important	10	43.5	2	25.0	8	53.3
The most important	1	4.3	0	0.0	1	6.7
Total	23	100.0	8	100.0	15	100.0

b. The creditor must evaulate the borrower's current and expected income

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	2	8.7	0	0.0	2	13.3
Somewhat important	6	26.1	3	37.5	3	20.0
Very important	8	34.8	4	50.0	4	26.7
The most important	7	30.4	1	12.5	6	40.0
Total	23	100.0	8	100.0	15	100.0

c. The borrower's debt to income ratio should not exceed 43 percent

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	5	21.7	0	0.0	5	33.3
Somewhat important	8	34.8	5	62.5	3	20.0
Very important	7	30.4	1	12.5	6	40.0
The most important	3	13.0	2	25.0	1	6.7
Total	23	100.0	8	100.0	15	100.0

d. Interest only, negative amortization, and balloon mortgages are not permitted

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	16	72.7	7	100.0	9	60.0
Somewhat important	2	9.1	0	0.0	2	13.3
Very important	4	18.2	0	0.0	4	26.7
The most important	0	0.0	0	0.0	0	0.0
Total	22	100.0	7	100.0	15	100.0

e. Total points and fees must not exceed 3 percent of the loan amount

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	13	56.5	4	50.0	9	60.0
Somewhat important	6	26.1	4	50.0	2	13.3
Very important	3	13.0	0	0.0	3	20.0
The most important	1	4.3	0	0.0	1	6.7
Total	23	100.0	8	100.0	15	100.0

f. Mortgages with an annual percentage rate more than 150 basis points over the average prime offer rate will not qualify for the safe harbor

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	12	52.2	5	62.5	7	46.7
Somewhat important	6	26.1	3	37.5	3	20.0
Very important	4	17.4	0	0.0	4	26.7
The most important	1	4.3	0	0.0	1	6.7
Total	23	100.0	8	100.0	15	100.0

C. Home purchase loans that your bank categorizes as prime residential mortgages (as described in questions 13A and 14A) with principal balances **greater than** the conforming loan limits announced by the FHFA:

a. The creditor must evaluate and document the borrower's credit history, assets, and debt payments

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	8	21.1	5	27.8	3	15.0
Somewhat important	9	23.7	4	22.2	5	25.0
Very important	14	36.8	5	27.8	9	45.0
The most important	7	18.4	4	22.2	3	15.0
Total	38	100.0	18	100.0	20	100.0

b. The creditor must evaulate the borrower's current and expected income

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	5	13.2	4	22.2	1	5.0
Somewhat important	7	18.4	2	11.1	5	25.0
Very important	13	34.2	7	38.9	6	30.0
The most important	13	34.2	5	27.8	8	40.0
Total	38	100.0	18	100.0	20	100.0

c. The borrower's debt to income ratio should not exceed 43 percent

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	4	10.5	0	0.0	4	20.0
Somewhat important	8	21.1	4	22.2	4	20.0
Very important	18	47.4	9	50.0	9	45.0
The most important	8	21.1	5	27.8	3	15.0
Total	38	100.0	18	100.0	20	100.0

d. Interest only, negative amortization, and balloon mortgages are not permitted

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	19	51.4	8	44.4	11	57.9
Somewhat important	7	18.9	4	22.2	3	15.8
Very important	7	18.9	5	27.8	2	10.5
The most important	4	10.8	1	5.6	3	15.8
Total	37	100.0	18	100.0	19	100.0

e. Total points and fees must not exceed 3 percent of the loan amount

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	15	39.5	5	27.8	10	50.0
Somewhat important	12	31.6	8	44.4	4	20.0
Very important	7	18.4	2	11.1	5	25.0
The most important	4	10.5	3	16.7	1	5.0
Total	38	100.0	18	100.0	20	100.0

f. Mortgages with an annual percentage rate more than 150 basis points over the average prime offer rate will not qualify for the safe harbor

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	18	48.6	9	50.0	9	47.4
Somewhat important	8	21.6	4	22.2	4	21.1
Very important	7	18.9	2	11.1	5	26.3
The most important	4	10.8	3	16.7	1	5.3
Total	37	100.0	18	100.0	19	100.0

D. Home purchase loans that your bank categorizes as nontraditional residential mortgages (as described in questions 13B and 14B)

a. The creditor must evaluate and document the borrower's credit history, assets, and debt payments

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank’s lower approval rate)	1	5.0	0	0.0	1	7.7
Somewhat important	6	30.0	2	28.6	4	30.8
Very important	8	40.0	3	42.9	5	38.5
The most important	5	25.0	2	28.6	3	23.1
Total	20	100.0	7	100.0	13	100.0

b. The creditor must evaulate the borrower's current and expected income

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank's lower approval rate)	1	5.0	0	0.0	1	7.7
Somewhat important	3	15.0	1	14.3	2	15.4
Very important	8	40.0	3	42.9	5	38.5
The most important	8	40.0	3	42.9	5	38.5
Total	20	100.0	7	100.0	13	100.0

c. The borrower's debt to income ratio should not exceed 43 percent

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank's lower approval rate)	1	5.0	0	0.0	1	7.7
Somewhat important	5	25.0	2	28.6	3	23.1
Very important	11	55.0	4	57.1	7	53.8
The most important	3	15.0	1	14.3	2	15.4
Total	20	100.0	7	100.0	13	100.0

d. Interest only, negative amortization, and balloon mortgages are not permitted

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank's lower approval rate)	10	50.0	4	57.1	6	46.2
Somewhat important	2	10.0	1	14.3	1	7.7
Very important	3	15.0	1	14.3	2	15.4
The most important	5	25.0	1	14.3	4	30.8
Total	20	100.0	7	100.0	13	100.0

e. Total points and fees must not exceed 3 percent of the loan amount

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank's lower approval rate)	7	35.0	1	14.3	6	46.2
Somewhat important	6	30.0	4	57.1	2	15.4
Very important	2	10.0	1	14.3	1	7.7
The most important	5	25.0	1	14.3	4	30.8
Total	20	100.0	7	100.0	13	100.0

f. Mortgages with an annual percentage rate more than 150 basis points over the average prime offer rate will not qualify for the safe harbor

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important (to my bank's lower approval rate)	9	45.0	4	57.1	5	38.5
Somewhat important	3	15.0	1	14.3	2	15.4
Very important	4	20.0	1	14.3	3	23.1
The most important	4	20.0	1	14.3	3	23.1
Total	20	100.0	7	100.0	13	100.0

19. If you indicated **no effect or a higher approval rate** from the ATR/QM rule for conforming prime residential mortgages (answers 3, 4, or 5 to questions 17a or 17b), please indicate how important the designation of a temporary class of qualified mortgages is in your answer.[3] This temporary classification automatically considers any mortgage loan that is accepted by the government-sponsored enterprises' automated underwriting engines as a qualified mortgage even if some of the QM provisions (such as the debt-to-income ratio not exceeding 43 percent) are not met.

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
My lending policies are not affected by the temporary classification	23	46.0	14	46.7	9	45.0
My lending policies would be somewhat tighter without the classification	18	36.0	11	36.7	7	35.0
My lending policies would be substantially tighter without the classification	9	18.0	5	16.7	4	20.0
Total	50	100.0	30	100.0	20	100.0

Questions 20-29 *ask about consumer lending at your bank. Question 20 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 21-26 deal with changes in credit standards and loan terms over the same period. Questions 27-29deal 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.*

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more willing	1	1.4	0	0.0	1	2.9
Somewhat more willing	11	15.7	6	17.1	5	14.3
About unchanged	57	81.4	28	80.0	29	82.9
Somewhat less willing	1	1.4	1	2.9	0	0.0
Much less willing	0	0.0	0	0.0	0	0.0
Total	70	100.0	35	100.0	35	100.0

21. 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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	47	87.0	27	87.1	20	87.0
Eased somewhat	7	13.0	4	12.9	3	13.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	31	100.0	23	100.0

22. 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	2	3.0	2	6.3	0	0.0
Remained basically unchanged	59	89.4	28	87.5	31	91.2
Eased somewhat	5	7.6	2	6.3	3	8.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	66	100.0	32	100.0	34	100.0

23. 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	1	1.4	1	2.8	0	0.0
Remained basically unchanged	64	90.1	33	91.7	31	88.6
Eased somewhat	6	8.5	2	5.6	4	11.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	100.0	35	100.0

24. 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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	43	82.7	24	80.0	19	86.4
Eased somewhat	9	17.3	6	20.0	3	13.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	30	100.0	22	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	1.9	0	0.0	1	4.5
Remained basically unchanged	49	94.2	29	96.7	20	90.9
Eased somewhat	2	3.8	1	3.3	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	30	100.0	22	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.9	0	0.0	1	4.5
Remained basically unchanged	50	96.2	29	96.7	21	95.5
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	1	1.9	1	3.3	0	0.0
Total	52	100.0	30	100.0	22	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	46	88.5	25	83.3	21	95.5
Eased somewhat	6	11.5	5	16.7	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	30	100.0	22	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.8	0	0.0	2	9.1
Remained basically unchanged	49	94.2	29	96.7	20	90.9
Eased somewhat	1	1.9	1	3.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	30	100.0	22	100.0

25. 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	64	97.0	30	93.8	34	100.0
Eased somewhat	2	3.0	2	6.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	66	100.0	32	100.0	34	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	4	6.1	4	12.5	0	0.0
Remained basically unchanged	58	87.9	26	81.3	32	94.1
Eased somewhat	4	6.1	2	6.3	2	5.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	66	100.0	32	100.0	34	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	1	1.5	0	0.0	1	2.9
Remained basically unchanged	63	95.5	32	100.0	31	91.2
Eased somewhat	2	3.0	0	0.0	2	5.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	66	100.0	32	100.0	34	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	2	3.0	2	6.3	0	0.0
Remained basically unchanged	62	93.9	29	90.6	33	97.1
Eased somewhat	2	3.0	1	3.1	1	2.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	66	100.0	32	100.0	34	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	3	4.5	1	3.1	2	5.9
Remained basically unchanged	63	95.5	31	96.9	32	94.1
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	66	100.0	32	100.0	34	100.0

26. 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	70	98.6	35	97.2	35	100.0
Eased somewhat	1	1.4	1	2.8	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	100.0	35	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	66	93.0	34	94.4	32	91.4
Eased somewhat	5	7.0	2	5.6	3	8.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	100.0	35	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	1	1.4	1	2.8	0	0.0
Remained basically unchanged	69	97.2	35	97.2	34	97.1
Eased somewhat	1	1.4	0	0.0	1	2.9
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	100.0	35	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	71	100.0	36	100.0	35	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	71	100.0	36	100.0	35	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	3	4.2	1	2.8	2	5.7
Remained basically unchanged	68	95.8	35	97.2	33	94.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	100.0	35	100.0

27. 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	13	26.0	9	30.0	4	20.0
About the same	34	68.0	20	66.7	14	70.0
Moderately weaker	3	6.0	1	3.3	2	10.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	50	100.0	30	100.0	20	100.0

28. 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	2	3.0	1	3.1	1	2.9
Moderately stronger	16	24.2	10	31.3	6	17.6
About the same	46	69.7	21	65.6	25	73.5
Moderately weaker	2	3.0	0	0.0	2	5.9
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	66	100.0	32	100.0	34	100.0

29. 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	14	19.7	8	22.2	6	17.1
About the same	54	76.1	27	75.0	27	77.1
Moderately weaker	3	4.2	1	2.8	2	5.7
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	71	100.0	36	100.0	35	100.0

Question 30 *asks you to describe the current level of lending standards at your bank relative to the range of standards that has prevailed between 2005 and the present. For each of the loan categories listed below, please consider the points at which standards at your bank were tightest and easiest during this period.*

30. Using the range between the tightest and the easiest that lending standards at your bank have been between 2005 and the present, for each of the loan categories listed below, how would you describe your bank's current level of standards relative to that range?

A. C&I loans:

a. New syndicated or club loans (large loans originated by a group of relationship lenders) to investment-grade firms (or unrated firms of similar creditworthiness)

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	1	1.6	1	2.8	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	5	7.9	4	11.1	1	3.7
Somewhat easier than the midpoint of the range that standards have been during this period	19	30.2	11	30.6	8	29.6
Near the midpoint of the range that standards have been during this period	27	42.9	17	47.2	10	37.0
Somewhat tighter than the midpoint of the range that standards have been during this period	8	12.7	3	8.3	5	18.5
Significantly tighter than the midpoint of the range that standards have been during this period	2	3.2	0	0.0	2	7.4
Near the tightest level that standards have been during this period	1	1.6	0	0.0	1	3.7
Total	63	100.0	36	100.0	27	100.0

b. New syndicated or club loans to below-investment-grade firms (or unrated firms of similar creditworthiness)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	7	11.1	6	16.7	1	3.7
Somewhat easier than the midpoint of the range that standards have been during this period	15	23.8	11	30.6	4	14.8
Near the midpoint of the range that standards have been during this period	19	30.2	9	25.0	10	37.0
Somewhat tighter than the midpoint of the range that standards have been during this period	16	25.4	9	25.0	7	25.9
Significantly tighter than the midpoint of the range that standards have been during this period	4	6.3	1	2.8	3	11.1
Near the tightest level that standards have been during this period	2	3.2	0	0.0	2	7.4
Total	63	100.0	36	100.0	27	100.0

c. Non-syndicated loans to large and middle-market firms (annual sales of $50 million or more)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	6	8.6	5	13.9	1	2.9
Somewhat easier than the midpoint of the range that standards have been during this period	28	40.0	12	33.3	16	47.1
Near the midpoint of the range that standards have been during this period	28	40.0	16	44.4	12	35.3
Somewhat tighter than the midpoint of the range that standards have been during this period	7	10.0	3	8.3	4	11.8
Significantly tighter than the midpoint of the range that standards have been during this period	1	1.4	0	0.0	1	2.9
Near the tightest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Total	70	100.0	36	100.0	34	100.0

d. Non-syndicated loans to small firms (annual sales of less than $50 million)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	4	5.8	3	8.8	1	2.9
Somewhat easier than the midpoint of the range that standards have been during this period	18	26.1	6	17.6	12	34.3
Near the midpoint of the range that standards have been during this period	37	53.6	21	61.8	16	45.7
Somewhat tighter than the midpoint of the range that standards have been during this period	8	11.6	3	8.8	5	14.3
Significantly tighter than the midpoint of the range that standards have been during this period	2	2.9	1	2.9	1	2.9
Near the tightest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Total	69	100.0	34	100.0	35	100.0

e. Loans to very small firms (annual sales of less than $5 million)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	4	7.0	3	11.5	1	3.2
Somewhat easier than the midpoint of the range that standards have been during this period	10	17.5	5	19.2	5	16.1
Near the midpoint of the range that standards have been during this period	33	57.9	13	50.0	20	64.5
Somewhat tighter than the midpoint of the range that standards have been during this period	6	10.5	3	11.5	3	9.7
Significantly tighter than the midpoint of the range that standards have been during this period	3	5.3	2	7.7	1	3.2
Near the tightest level that standards have been during this period	1	1.8	0	0.0	1	3.2
Total	57	100.0	26	100.0	31	100.0

B. Loans secured by commercial real estate:

a. For construction and land development purposes

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	2	2.9	0	0.0	2	5.7
Somewhat easier than the midpoint of the range that standards have been during this period	11	16.2	8	24.2	3	8.6
Near the midpoint of the range that standards have been during this period	21	30.9	10	30.3	11	31.4
Somewhat tighter than the midpoint of the range that standards have been during this period	25	36.8	11	33.3	14	40.0
Significantly tighter than the midpoint of the range that standards have been during this period	7	10.3	4	12.1	3	8.6
Near the tightest level that standards have been during this period	2	2.9	0	0.0	2	5.7
Total	68	100.0	33	100.0	35	100.0

b. For nonfarm nonresidential purposes

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	2	2.9	2	5.9	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	20	29.0	10	29.4	10	28.6
Near the midpoint of the range that standards have been during this period	30	43.5	14	41.2	16	45.7
Somewhat tighter than the midpoint of the range that standards have been during this period	13	18.8	6	17.6	7	20.0
Significantly tighter than the midpoint of the range that standards have been during this period	3	4.3	2	5.9	1	2.9
Near the tightest level that standards have been during this period	1	1.4	0	0.0	1	2.9
Total	69	100.0	34	100.0	35	100.0

c. For multifamily purposes

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	5	7.4	3	9.1	2	5.7
Somewhat easier than the midpoint of the range that standards have been during this period	20	29.4	12	36.4	8	22.9
Near the midpoint of the range that standards have been during this period	31	45.6	14	42.4	17	48.6
Somewhat tighter than the midpoint of the range that standards have been during this period	10	14.7	3	9.1	7	20.0
Significantly tighter than the midpoint of the range that standards have been during this period	1	1.5	1	3.0	0	0.0
Near the tightest level that standards have been during this period	1	1.5	0	0.0	1	2.9
Total	68	100.0	33	100.0	35	100.0

C. Residential real estate:

a. Home purchase loans that your bank categorizes as prime residential mortgages (as described in questions 13A and 14A) with principal balances less than or equal to the conforming loan limits announced by the FHFA

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	1	1.4	1	2.9	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	5	7.2	4	11.4	1	2.9
Near the midpoint of the range that standards have been during this period	31	44.9	13	37.1	18	52.9
Somewhat tighter than the midpoint of the range that standards have been during this period	22	31.9	12	34.3	10	29.4
Significantly tighter than the midpoint of the range that standards have been during this period	7	10.1	3	8.6	4	11.8
Near the tightest level that standards have been during this period	3	4.3	2	5.7	1	2.9
Total	69	100.0	35	100.0	34	100.0

b. Home purchase loans that your bank categorizes as prime residential mortgages (as described in questions 13A and 14A) with principal balances greater than the conforming loan limits announced by the FHFA

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	2	2.9	2	5.7	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	3	4.3	2	5.7	1	2.9
Near the midpoint of the range that standards have been during this period	26	37.1	11	31.4	15	42.9
Somewhat tighter than the midpoint of the range that standards have been during this period	21	30.0	11	31.4	10	28.6
Significantly tighter than the midpoint of the range that standards have been during this period	14	20.0	7	20.0	7	20.0
Near the tightest level that standards have been during this period	4	5.7	2	5.7	2	5.7
Total	70	100.0	35	100.0	35	100.0

c. Home purchase loans that qualify for a guarantee from the Federal Housing Administration or the U.S. Department of Veterans Affairs

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	1	1.7	1	3.4	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	4	6.7	3	10.3	1	3.2
Near the midpoint of the range that standards have been during this period	37	61.7	16	55.2	21	67.7
Somewhat tighter than the midpoint of the range that standards have been during this period	12	20.0	5	17.2	7	22.6
Significantly tighter than the midpoint of the range that standards have been during this period	3	5.0	3	10.3	0	0.0
Near the tightest level that standards have been during this period	3	5.0	1	3.4	2	6.5
Total	60	100.0	29	100.0	31	100.0

d. Home purchase loans that your bank categorizes as nontraditional residential mortgages (as described in questions 13B and 14B)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	0	0.0	0	0.0	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	5	11.9	2	10.0	3	13.6
Near the midpoint of the range that standards have been during this period	12	28.6	4	20.0	8	36.4
Somewhat tighter than the midpoint of the range that standards have been during this period	14	33.3	6	30.0	8	36.4
Significantly tighter than the midpoint of the range that standards have been during this period	5	11.9	5	25.0	0	0.0
Near the tightest level that standards have been during this period	6	14.3	3	15.0	3	13.6
Total	42	100.0	20	100.0	22	100.0

e. Home purchase loans that your bank categorizes as subprime residential mortgages (as described in questions 13C and 14C)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	0	0.0	0	0.0	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	0	0.0	0	0.0	0	0.0
Near the midpoint of the range that standards have been during this period	4	25.0	2	28.6	2	22.2
Somewhat tighter than the midpoint of the range that standards have been during this period	3	18.8	0	0.0	3	33.3
Significantly tighter than the midpoint of the range that standards have been during this period	2	12.5	2	28.6	0	0.0
Near the tightest level that standards have been during this period	7	43.8	3	42.9	4	44.4
Total	16	100.0	7	100.0	9	100.0

f. Revolving home equity lines of credit

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	0	0.0	0	0.0	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	9	12.9	6	16.7	3	8.8
Near the midpoint of the range that standards have been during this period	33	47.1	13	36.1	20	58.8
Somewhat tighter than the midpoint of the range that standards have been during this period	19	27.1	10	27.8	9	26.5
Significantly tighter than the midpoint of the range that standards have been during this period	6	8.6	4	11.1	2	5.9
Near the tightest level that standards have been during this period	3	4.3	3	8.3	0	0.0
Total	70	100.0	36	100.0	34	100.0

D. Consumer lending:

a. Credit card loans that your bank categorizes as prime credit card loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	0	0.0	0	0.0	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	10	22.2	6	22.2	4	22.2
Near the midpoint of the range that standards have been during this period	24	53.3	12	44.4	12	66.7
Somewhat tighter than the midpoint of the range that standards have been during this period	7	15.6	5	18.5	2	11.1
Significantly tighter than the midpoint of the range that standards have been during this period	3	6.7	3	11.1	0	0.0
Near the tightest level that standards have been during this period	1	2.2	1	3.7	0	0.0
Total	45	100.0	27	100.0	18	100.0

b. Credit card loans that your bank categorizes as subprime credit card loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	0	0.0	0	0.0	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	3	15.0	3	27.3	0	0.0
Near the midpoint of the range that standards have been during this period	9	45.0	3	27.3	6	66.7
Somewhat tighter than the midpoint of the range that standards have been during this period	3	15.0	1	9.1	2	22.2
Significantly tighter than the midpoint of the range that standards have been during this period	3	15.0	3	27.3	0	0.0
Near the tightest level that standards have been during this period	2	10.0	1	9.1	1	11.1
Total	20	100.0	11	100.0	9	100.0

c. Auto loans that your bank categorizes as prime auto loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	2	3.2	2	6.7	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	14	22.6	5	16.7	9	28.1
Near the midpoint of the range that standards have been during this period	34	54.8	14	46.7	20	62.5
Somewhat tighter than the midpoint of the range that standards have been during this period	9	14.5	6	20.0	3	9.4
Significantly tighter than the midpoint of the range that standards have been during this period	3	4.8	3	10.0	0	0.0
Near the tightest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Total	62	100.0	30	100.0	32	100.0

d. Auto loans that your bank categorizes as subprime auto loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	1	3.3	1	6.3	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	4	13.3	3	18.8	1	7.1
Near the midpoint of the range that standards have been during this period	13	43.3	6	37.5	7	50.0
Somewhat tighter than the midpoint of the range that standards have been during this period	7	23.3	4	25.0	3	21.4
Significantly tighter than the midpoint of the range that standards have been during this period	2	6.7	2	12.5	0	0.0
Near the tightest level that standards have been during this period	3	10.0	0	0.0	3	21.4
Total	30	100.0	16	100.0	14	100.0

e. Consumer loans other than credit card and auto loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Near the easiest level that standards have been during this period	0	0.0	0	0.0	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	1	1.5	0	0.0	1	3.0
Somewhat easier than the midpoint of the range that standards have been during this period	10	14.9	4	11.8	6	18.2
Near the midpoint of the range that standards have been during this period	43	64.2	19	55.9	24	72.7
Somewhat tighter than the midpoint of the range that standards have been during this period	7	10.4	5	14.7	2	6.1
Significantly tighter than the midpoint of the range that standards have been during this period	5	7.5	5	14.7	0	0.0
Near the tightest level that standards have been during this period	1	1.5	1	2.9	0	0.0
Total	67	100.0	34	100.0	33	100.0

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 March 31, 2014. The combined assets of the 40 large banks totaled $8.4 trillion, compared to $8.7 trillion for the entire panel of 75 banks, and $12.2 trillion for all domestically chartered, federally insured commercial banks. Return to text

2. Please include mortgages in high-cost areas with loan balances greater than $417,000 that are within the area-specific conforming loan limits. (up to $625,500 for fiscal year 2014) determined under the Housing and Economic Recovery Act of 2008. For more information on conforming loan limits, please see: http://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx. Return to text

3. The temporary QM definition must satisfy the general product feature prerequisites for a qualified mortgage and also satisfy the underwritting requirements of, and are eligible to be purchased, guaranteed, or insured by the GSEs while they operate under federal conservatorship or receivership. This temporary classification will phase out as each agency issues its own qualified mortgage rules, or the GSE conservatorship ends, or seven years elapse. Return to text

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 July 2014)

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	2	8.7
Remained basically unchanged	19	82.6
Eased somewhat	2	8.7
Eased considerably	0	0.0
Total	23	100.0

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

a. Maximum size of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	91.3
Eased somewhat	2	8.7
Eased considerably	0	0.0
Total	23	100.0

b. Maximum maturity of loans or credit lines

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

c. Costs of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.3
Remained basically unchanged	22	95.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	23	100.0

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.3
Remained basically unchanged	17	73.9
Eased somewhat	4	17.4
Eased considerably	1	4.3
Total	23	100.0

e. Premiums charged on riskier loans

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	8.7
Remained basically unchanged	19	82.6
Eased somewhat	2	8.7
Eased considerably	0	0.0
Total	23	100.0

f. Loan covenants

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	4.3
Remained basically unchanged	15	65.2
Eased somewhat	6	26.1
Eased considerably	1	4.3
Total	23	100.0

g. Collateralization requirements

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	4.3
Remained basically unchanged	21	91.3
Eased somewhat	1	4.3
Eased considerably	0	0.0
Total	23	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	0	0.0
Remained basically unchanged	19	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	19	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

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

b. Less favorable or more uncertain economic outlook

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

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

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

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

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

e. Reduced tolerance for risk

	All Respondents	
	Banks	**Percent**
Not important	2	50.0
Somewhat important	1	25.0
Very important	1	25.0
Total	4	100.0

f. Decreased liquidity in the secondary market for these loans

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

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

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

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

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

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

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

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

b. More favorable or less uncertain economic outlook

	All Respondents	
	Banks	**Percent**
Not important	5	71.4
Somewhat important	2	28.6
Very important	0	0.0
Total	7	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	5	83.3
Somewhat important	1	16.7
Very important	0	0.0
Total	6	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	0	0.0
Somewhat important	2	28.6
Very important	5	71.4
Total	7	100.0

e. Increased tolerance for risk

	All Respondents	
	Banks	Percent
Not important	4	57.1
Somewhat important	3	42.9
Very important	0	0.0
Total	7	100.0

f. Increased liquidity in the secondary market for these loans

	All Respondents	
	Banks	Percent
Not important	4	57.1
Somewhat important	3	42.9
Very important	0	0.0
Total	7	100.0

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

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

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

	All Respondents	
	Banks	Percent
Not important	6	85.7
Somewhat important	1	14.3
Very important	0	0.0
Total	7	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	17.4
About the same	19	82.6
Moderately weaker	0	0.0
Substantially weaker	0	0.0
Total	23	100.0

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

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

a. Customer inventory financing needs increased

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

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

a. Customer inventory financing needs decreased

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

b. Customer accounts receivable financing needs decreased

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

c. Customer investment in plant or equipment decreased

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

d. Customer internally generated funds increased

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

e. Customer merger or acquisition financing needs decreased

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

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

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

g. Customers’ precautionary demand for cash and liquidity decreased

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

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

	All Respondents	
	Banks	**Percent**
The number of inquiries has increased substantially	0	0.0
The number of inquiries has increased moderately	4	18.2
The number of inquiries has stayed about the same	17	77.3
The number of inquiries has decreased moderately	1	4.5
The number of inquiries has decreased substantially	0	0.0
Total	22	100.0

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

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	84.6
Eased somewhat	2	15.4
Eased considerably	0	0.0
Total	13	100.0

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

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	3	23.1
About the same	8	61.5
Moderately weaker	2	15.4
Substantially weaker	0	0.0
Total	13	100.0

Question 9 *asks you to describe the current level of lending standards at your bank relative to the range of standards that has prevailed between 2005 and the present. For each of the loan categories listed below, please consider the points at which standards at your bank were tightest and easiest during this period.*

9. Using the range between the tightest and the easiest that lending standards at your bank have been between 2005 and the present, for each of the loan categories listed below, how would you describe your bank's current level of standards relative to that range?

A. C&I loans:

a. New syndicated or club loans (large loans originated by a group of relationship lenders) to investment-grade firms (or unrated firms of similar creditworthiness)

	All Respondents	
	Banks	**Percent**
Near the easiest level that standards have been during this period	1	4.5
Significantly easier than the midpoint of the range that standards have been during this period	3	13.6
Somewhat easier than the midpoint of the range that standards have been during this period	3	13.6
Near the midpoint of the range that standards have been during this period	15	68.2
Somewhat tighter than the midpoint of the range that standards have been during this period	0	0.0
Significantly tighter than the midpoint of the range that standards have been during this period	0	0.0
Near the tightest level that standards have been during this period	0	0.0
Total	22	100.0

b. New syndicated or club loans to below-investment-grade firms (or unrated firms of similar creditworthiness)

	All Respondents	
	Banks	Percent
Near the easiest level that standards have been during this period	1	4.8
Significantly easier than the midpoint of the range that standards have been during this period	3	14.3
Somewhat easier than the midpoint of the range that standards have been during this period	6	28.6
Near the midpoint of the range that standards have been during this period	7	33.3
Somewhat tighter than the midpoint of the range that standards have been during this period	3	14.3
Significantly tighter than the midpoint of the range that standards have been during this period	1	4.8
Near the tightest level that standards have been during this period	0	0.0
Total	21	100.0

c. Non-syndicated loans to large and middle-market firms (annual sales of $50 million or more)

	All Respondents	
	Banks	**Percent**
Near the easiest level that standards have been during this period	1	5.6
Significantly easier than the midpoint of the range that standards have been during this period	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	6	33.3
Near the midpoint of the range that standards have been during this period	10	55.6
Somewhat tighter than the midpoint of the range that standards have been during this period	0	0.0
Significantly tighter than the midpoint of the range that standards have been during this period	1	5.6
Near the tightest level that standards have been during this period	0	0.0
Total	18	100.0

d. Non-syndicated loans to small firms (annual sales of less than $50 million)

	All Respondents	
	Banks	**Percent**
Near the easiest level that standards have been during this period	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	3	25.0
Near the midpoint of the range that standards have been during this period	4	33.3
Somewhat tighter than the midpoint of the range that standards have been during this period	1	8.3
Significantly tighter than the midpoint of the range that standards have been during this period	2	16.7
Near the tightest level that standards have been during this period	2	16.7
Total	12	100.0

B. Loans secured by commercial real estate:

a. For construction and land development purposes

	All Respondents	
	Banks	**Percent**
Near the easiest level that standards have been during this period	1	11.1
Significantly easier than the midpoint of the range that standards have been during this period	0	0.0
Somewhat easier than the midpoint of the range that standards have been during this period	2	22.2
Near the midpoint of the range that standards have been during this period	4	44.4
Somewhat tighter than the midpoint of the range that standards have been during this period	1	11.1
Significantly tighter than the midpoint of the range that standards have been during this period	1	11.1
Near the tightest level that standards have been during this period	0	0.0
Total	9	100.0

b. For nonfarm nonresidential purposes

	All Respondents	
	Banks	**Percent**
Near the easiest level that standards have been during this period	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	1	9.1
Somewhat easier than the midpoint of the range that standards have been during this period	4	36.4
Near the midpoint of the range that standards have been during this period	4	36.4
Somewhat tighter than the midpoint of the range that standards have been during this period	1	9.1
Significantly tighter than the midpoint of the range that standards have been during this period	0	0.0
Near the tightest level that standards have been during this period	1	9.1
Total	11	100.0

c. For multifamily purposes

	All Respondents	
	Banks	**Percent**
Near the easiest level that standards have been during this period	0	0.0
Significantly easier than the midpoint of the range that standards have been during this period	1	9.1
Somewhat easier than the midpoint of the range that standards have been during this period	2	18.2
Near the midpoint of the range that standards have been during this period	6	54.5
Somewhat tighter than the midpoint of the range that standards have been during this period	1	9.1
Significantly tighter than the midpoint of the range that standards have been during this period	0	0.0
Near the tightest level that standards have been during this period	1	9.1
Total	11	100.0

1. As of March 31, 2014, the 23 respondents had combined assets of $1.4 trillion, compared to $2.5 trillion for all foreign related banking institutions in the United States. The sample is selected from among the largest foreign-related banking institutions in those Federal Reserve Districts where such institutions are common.
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