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

DIVISION OF MONETARY AFFAIRS

For release at 2:00 p.m. ET

February 1, 2010

TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

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

Enclosures

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

The January 2010 Senior Loan Officer Opinion Survey on Bank Lending Practices

The January 2010 survey addressed changes in the supply of, and demand for, loans to businesses and households over the past three months. The survey also included three sets of special questions: The first set asked banks to compare the delinquency rate of commercial and industrial (C&I) loans made to small firms to the delinquency rate of such loans made to large and middle-market firms, the second set asked banks about changes in policies on commercial real estate (CRE) loans over the past year, and the third set asked banks about their outlook for the credit quality of a number of categories of loans in 2010. This summary is based on responses from 55 domestic banks and 23 U.S. branches and agencies of foreign banks.[1]

The January survey indicated that commercial banks generally ceased tightening standards on many loan types in the fourth quarter of last year but have yet to unwind the considerable tightening that has occurred over the past two years. The net percentages of banks reporting tighter loan terms continued to trend lower.[2] Banks reported that loan demand from both businesses and households weakened further, on net, over the survey period.

For many major loan categories covered by the survey, the net percentages of respondents that tightened standards in the fourth quarter of 2009 were close to zero. However, banks continued to tighten a number of terms on loans to both businesses and households, although the net fractions of banks that reported doing so in the January survey generally stepped down again. Banks' policies on CRE lending were an exception, as large net fractions of respondents further tightened their credit standards during the final quarter of last year. In addition, banks reported that they had tightened terms on CRE loans substantially over the past year.

Demand from both businesses and households for all major categories of loans weakened further, on net, over the past three months. The net fractions of banks that reported weaker demand for business loans continued to decline, while changes in the comparable readings on demand for loans to households were mixed.

In response to a special question on the delinquency rates on C&I loans on banks' books at the end of the fourth quarter, banks indicated that this rate on C&I loans to small firms was higher than the rate for large and middle-market firms. In response to the set of special questions on the outlook for asset quality in 2010, banks indicated that the

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[1] Respondent banks received the survey on or after December 29, 2009, and their responses were due by January 12, 2010.

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

outlook for delinquencies and chargeoffs in the current year was more positive for large and middle-market firms than for small firms. Additionally, the majority of banks indicated that their outlook for the change in credit quality in 2010 was more balanced relative to their pessimistic outlook, when asked one year ago, about the outlook for the change in credit quality in 2009. Outside of commercial and prime residential mortgages, banks generally expect asset quality to stabilize this year.

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

Questions on commercial and industrial lending. Overall, banks reported little net change in their standards for C&I loans in the fourth quarter of 2009. However, moderate net percentages of domestic banks continued to tighten both price and nonprice terms on C&I loans to large and middle-market firms as well as to small firms. In general, the net fractions of banks that reported further tightening of loan terms over the past three months were considerably below those from recent surveys, though the net fraction of banks that reported further increases in loan rate premiums for risky borrowers remained somewhat elevated. Some of the largest domestic banks (those with assets greater than $20 billion) reported having eased loan terms to large and middle-market firms, particularly terms pertaining to loan maturities and loan spreads. Similarly, branches and agencies of foreign banks reported, on net, that they had eased most loan terms over the past three months. Almost all of the domestic and foreign institutions that reported having eased credit standards or loan terms over the past three months cited more aggressive competition from other banks or nonbank lenders as an important reason for the change in their lending posture. In addition, a majority of banks that eased some of their loan terms cited a more favorable or less uncertain economic outlook as an important reason for the change in their credit policies.

In contrast, moderate net percentages of smaller domestic bank respondents (those with total assets below $20 billion) continued to tighten terms on loans to firms of all sizes. The net fractions of domestic banks that tightened terms on loans to small firms were generally a little larger than the net fractions that tightened terms on loans to large and middle-market firms. Most banks that tightened standards and terms continued to point to a less favorable or more uncertain economic outlook as one of the reasons for the tightening, and many banks reported reduced tolerance for risk as well.

At domestic banks, demand for C&I loans from firms of all sizes weakened further, on net, over the past three months. The net fraction that reported weaker demand was somewhat smaller than it was in the October survey. In contrast, foreign institutions reported that loan demand was unchanged, on net, over the same period. Almost all banks that reported weaker loan demand indicated that their customers’ financing needs for investment in plant or equipment had decreased as had needs to finance inventory and accounts receivable. Most of the handful of banks that experienced an increase in loan demand cited a shift in customer borrowing to their banks from other credit sources, as well as customers’ increased need to finance mergers or acquisitions and accounts receivable. The number of inquiries for new or expanded C&I credit lines weakened again, on net, at domestic banks, but at a more moderate pace than in recent quarters; foreign institutions, in contrast, reported little change in the number of inquires for new or expanded C&I credit lines over the survey period.

Special question on delinquency rates on C&I loans by firm size. In response to a special question about the quality of C&I loans on banks' books in the fourth quarter, banks reported higher delinquency rates on loans to small firms than on loans to large and middle-market firms. On net, nearly 65 percent of domestic respondents indicated that at the end of the fourth quarter of 2009, the delinquency rate on their outstanding loans to small firms was higher than the rate on outstanding loans to large and middle-market firms.

Questions on commercial real estate lending. In contrast to C&I lending, a substantial share of domestic banks, on net, reported having tightened standards on CRE loans and having experienced weaker demand for such loans again in the fourth quarter of 2009. Moderate net fractions of foreign banks also reported having tightened standards on CRE loans and having seen weaker demand for such loans over the past three months.

Special question on commercial real estate lending. In response to a special question (repeated on an annual basis since 2001), large net fractions of both domestic and foreign institutions again reported having tightened a range of terms on CRE loans over the course of 2009. The largest net tightening was reported on the spreads of loan rates over banks' cost of funds, debt-service coverage ratios, and loan-to-value ratios.

Lending to Households
(Table 1, questions 11-21)

Questions on residential real estate lending. Banks continued to tighten standards on residential real estate loans over the past three months. In line with recent patterns, a small net fraction of banks tightened standards on prime residential real estate loans over that period, and somewhat larger net fractions of banks tightened standards on nontraditional residential real estate loans. In addition, a moderate net fraction of banks reported weaker demand from prime borrowers for residential real estate loans. Demand from customers seeking nontraditional mortgages also weakened further over the survey period. Only a small net fraction of banks reported having tightened standards on revolving home equity lines of credit over the past three months, but a large net fraction of banks continued to report lower demand for such loans.

Questions on consumer lending. For the first time in nearly three years, a small net fraction of banks reported an increased willingness to make consumer installment loans now as opposed to three months ago. However, demand for consumer loans of all types reportedly had weakened further since the previous survey.

Regarding credit card loans, a very small net fraction of banks reported having tightened standards on such loans over the past three months. However, substantial net fractions of banks indicated that they had reduced credit limits on credit cards and had become less likely to issue cards to customers not meeting credit scoring thresholds. A moderate fraction reported having increased spreads. These results are consistent with responses to the October 2009 survey, in which banks indicated that they would tighten a wide range of their credit card policies following the enactment of the Credit CARD Act. For consumer loans other than credit card loans, banks reported no change, on net, in their standards. Moreover, respondents indicated little change in most terms on such loans.

Special Questions on Banks' Outlook for Asset Quality
(Table 1, questions 22-24; Table 2, questions 11-12)

The January survey included a set of special questions that asked banks about their outlook for delinquencies and charge-offs across major loan categories in the current year, assuming that economic activity progresses in line with consensus forecasts. This set of special questions has been asked on an annual basis since 2006. In the previous two years, large majorities of banks expected widespread deterioration in credit quality over the coming year across all major loan categories. In this survey, by contrast, substantially fewer respondents reported having such expectations; banks anticipate significant additional deterioration in the quality of CRE loans, prime residential mortgages, and revolving home equity lines of credit this year, with the quality of other types of loans expected to change little or improve, on net.

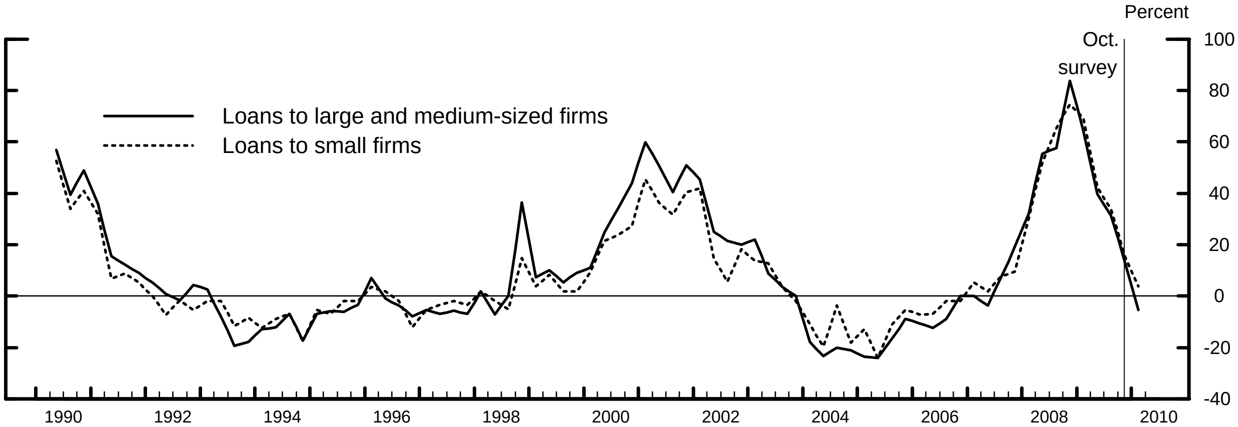
Regarding C&I loans, a substantial net fraction of banks expect delinquencies and charge-offs of such loans to large and middle-market firms to decline in 2010. A much smaller net fraction of banks expect an improvement in the credit quality of C&I loans to small firms.

On the household side, a moderate net fraction of banks indicated that the credit quality of their prime residential mortgages and home equity loans would likely deteriorate further in 2010. However, banks expect portfolios of most other types of consumer and residential real estate loans to experience little further deterioration in credit quality this year—indeed, a moderate net share of banks expect some improvement in credit quality in other consumer loans.

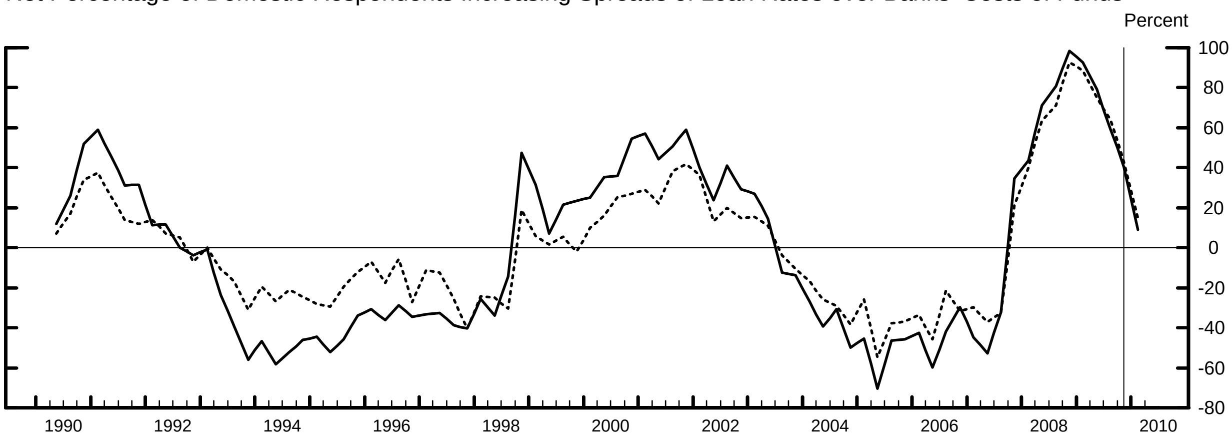
This document was prepared by Tara Rice and Jonathan Rose with the assistance of Thomas Spiller, Division of Monetary Affairs, Board of Governors of the Federal Reserve System.

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

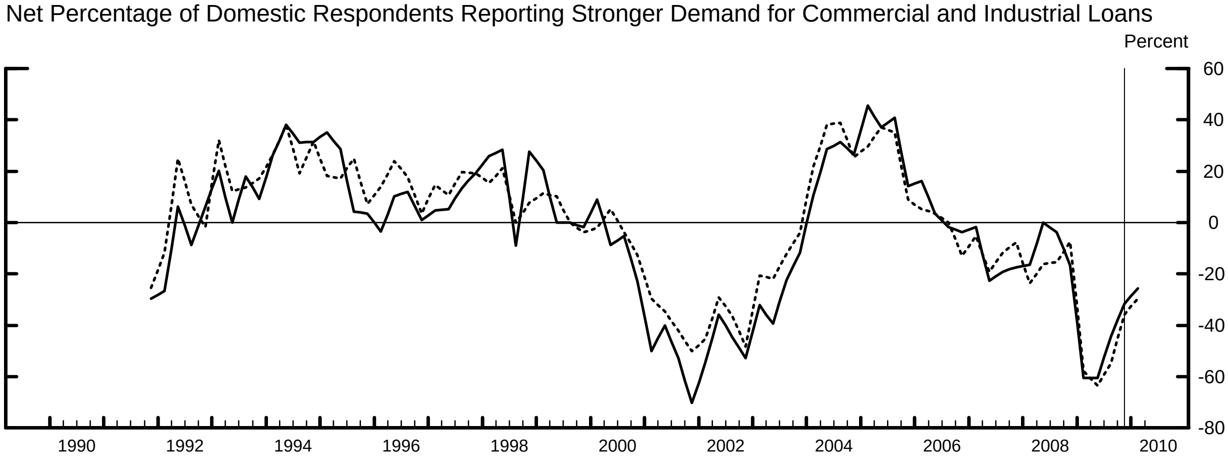
Net Percentage of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



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

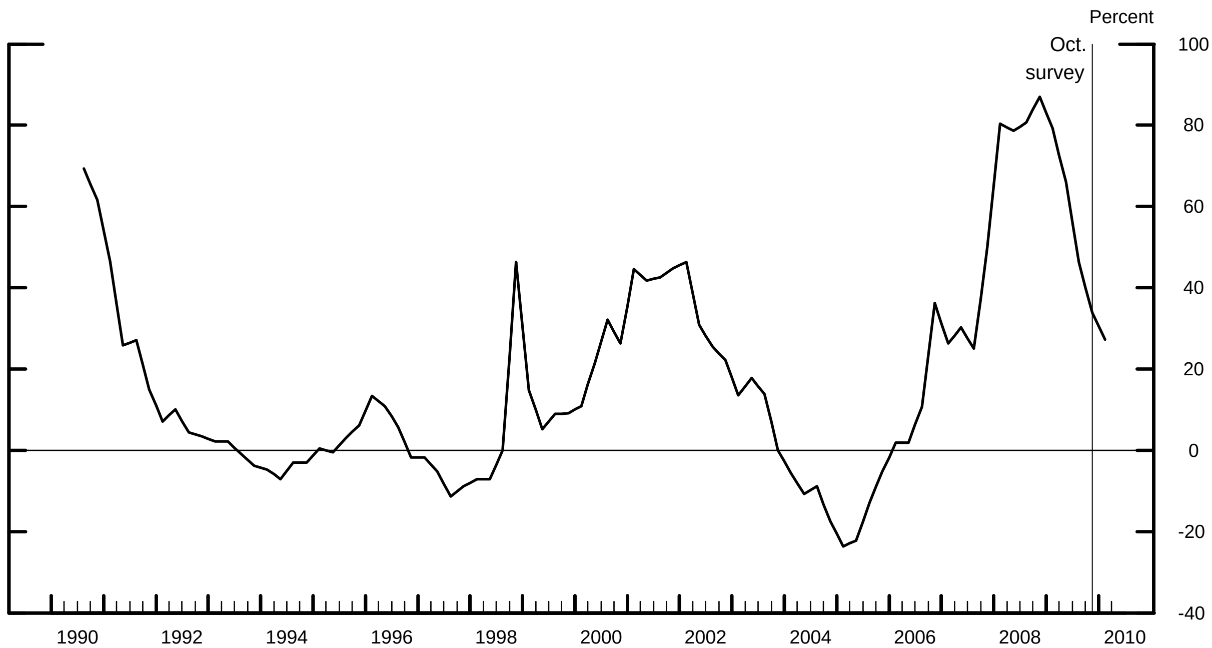


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans

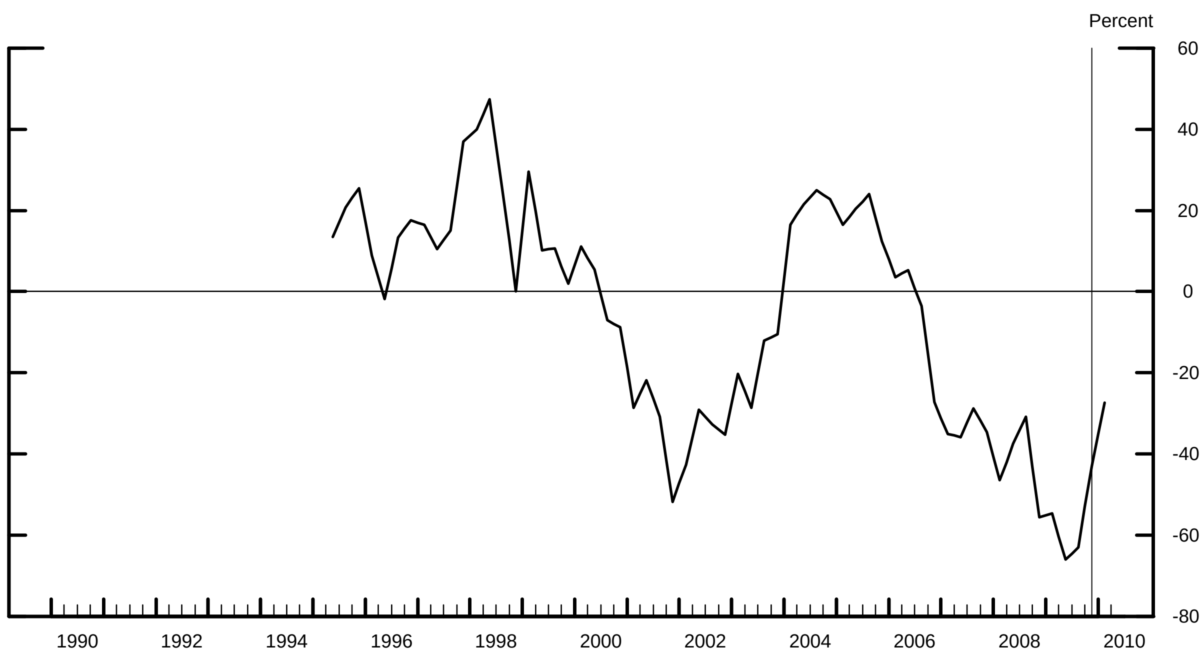


Measures of Supply and Demand for Commercial Real Estate Loans

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

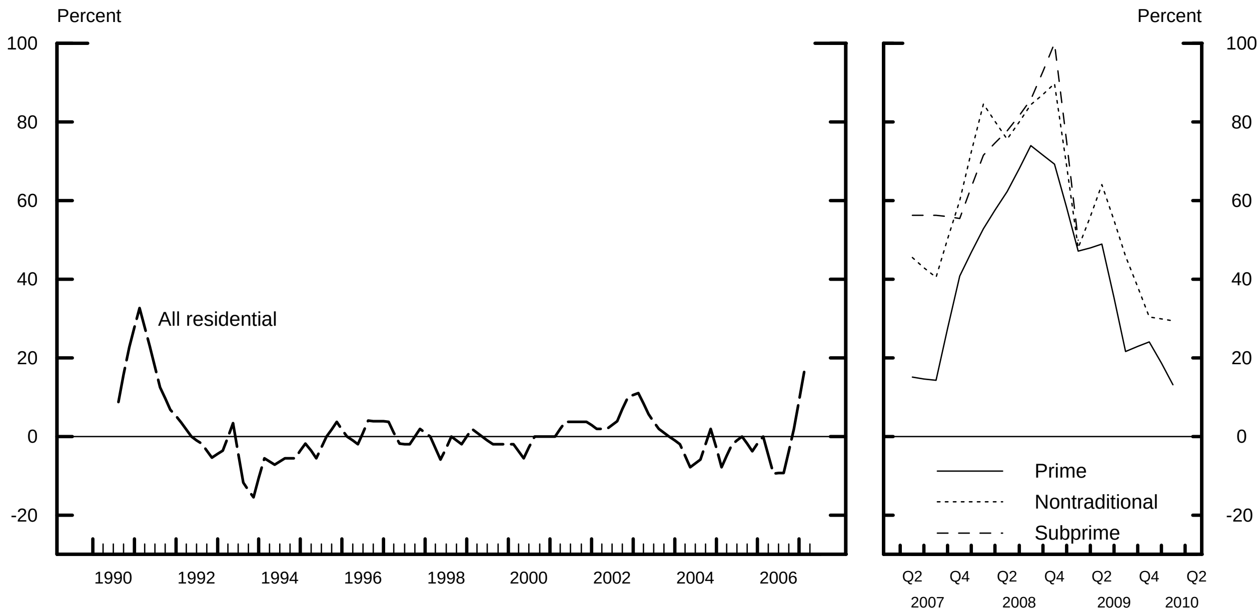


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial Real Estate Loans



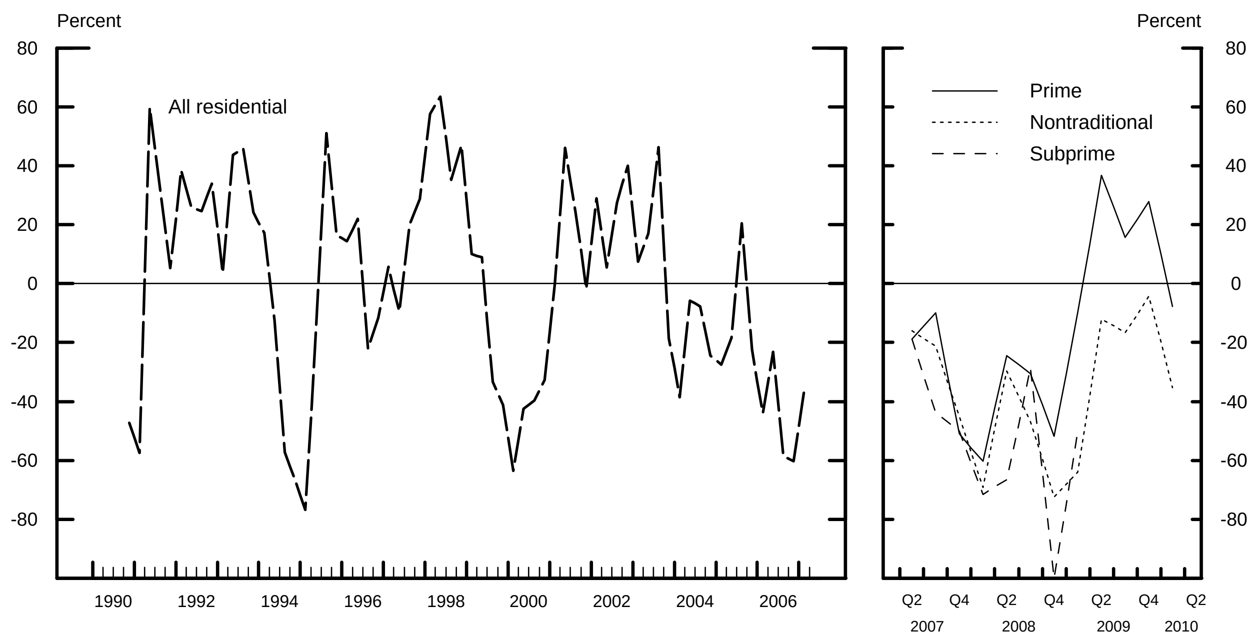
Measures of Supply and Demand for Residential Mortgage Loans

Net Percentage of Domestic Respondents Tightening Standards for Residential Mortgage Loans



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

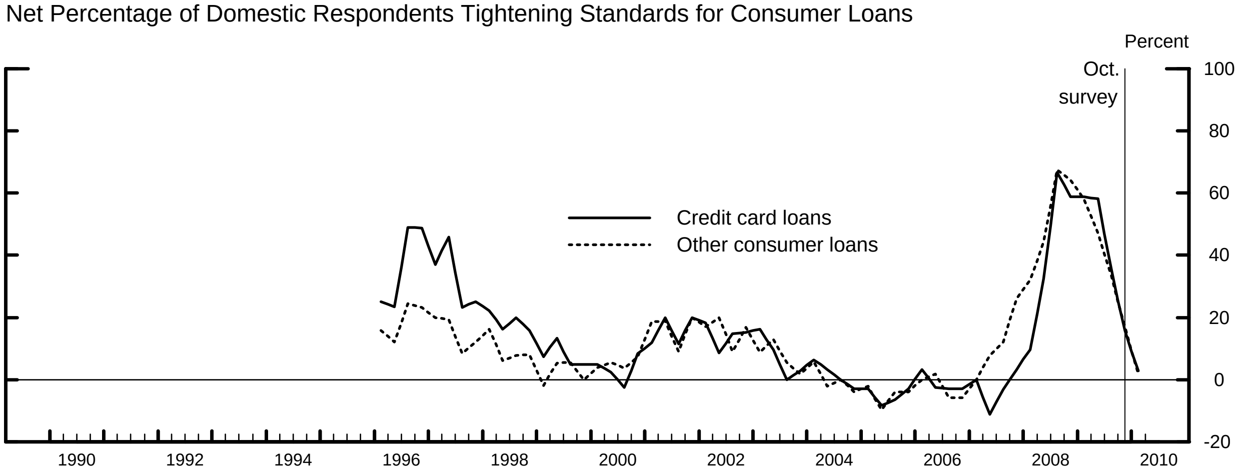
Net Percentage of Domestic Respondents Reporting Stronger Demand for Residential Mortgage Loans



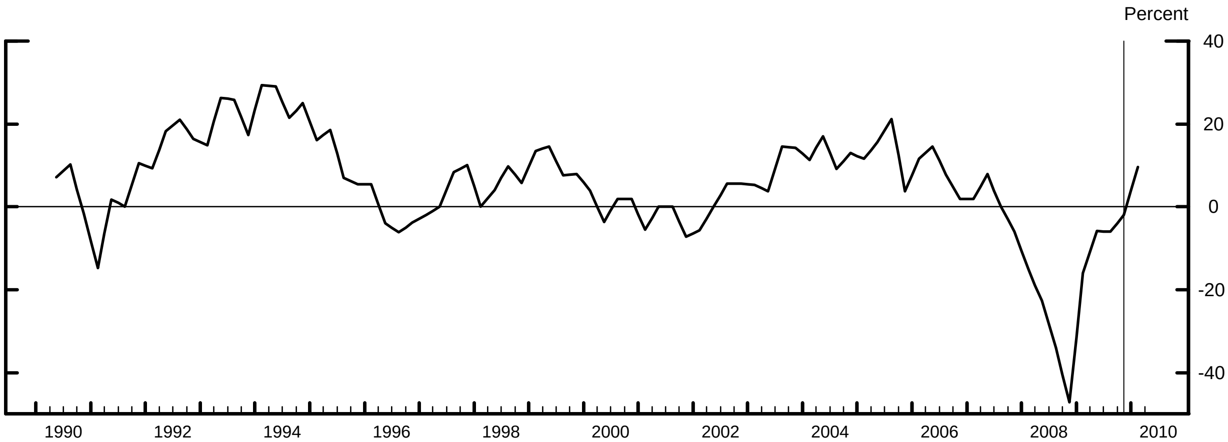
Note: For data starting in 2007:Q2, changes in demand for prime, nontraditional, and subprime mortgage loans are reported separately. Series are not reported when the number of respondents is 3 or fewer.

Measures of Supply and Demand for Consumer Loans

Net Percentage of Domestic Respondents Tightening Standards for Consumer Loans



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



Net Percentage of Domestic Respondents Reporting Stronger Demand for Consumer Loans

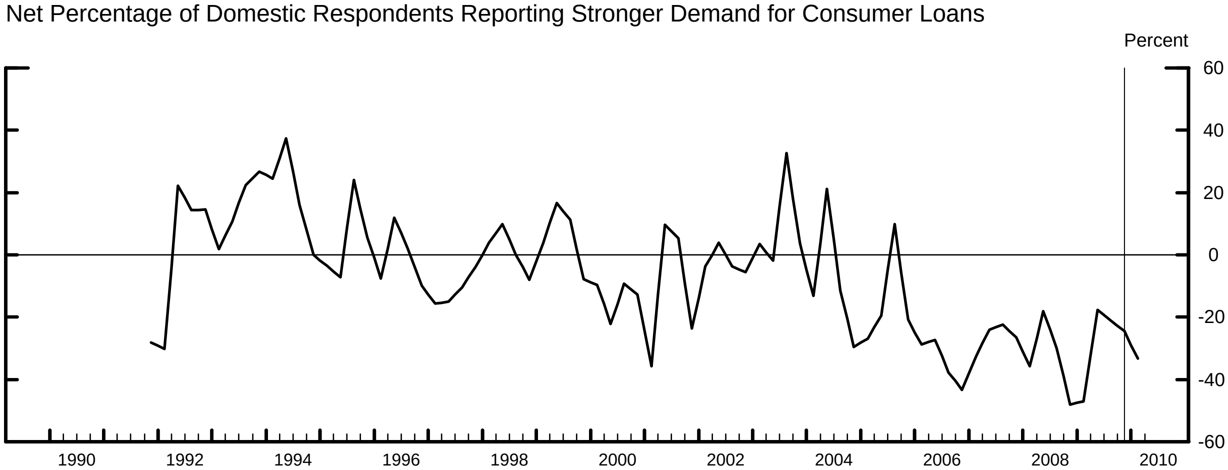


Table 1

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

(Status of policy as of January 2010)

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

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	52	94.5	28	93.3	24	96.0
Eased somewhat	3	5.5	2	6.7	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.7	1	3.4	1	4.0
Remained basically unchanged	52	96.3	28	96.6	24	96.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

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	9	16.4	3	10.0	6	24.0
Remained basically unchanged	42	76.4	24	80.0	18	72.0
Eased somewhat	4	7.3	3	10.0	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	1	3.3	0	0.0
Tightened somewhat	3	5.5	1	3.3	2	8.0
Remained basically unchanged	46	83.6	23	76.7	23	92.0
Eased somewhat	5	9.1	5	16.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	0	0.0	1	4.0
Tightened somewhat	12	21.8	7	23.3	5	20.0
Remained basically unchanged	35	63.6	18	60.0	17	68.0
Eased somewhat	7	12.7	5	16.7	2	8.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	1	3.3	0	0.0
Tightened somewhat	13	23.6	6	20.0	7	28.0
Remained basically unchanged	32	58.2	15	50.0	17	68.0
Eased somewhat	9	16.4	8	26.7	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.8	1	3.3	0	0.0
Tightened somewhat	10	18.2	7	23.3	3	12.0
Remained basically unchanged	41	74.5	19	63.3	22	88.0
Eased somewhat	3	5.5	3	10.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	8	14.5	5	16.7	3	12.0
Remained basically unchanged	46	83.6	24	80.0	22	88.0
Eased somewhat	1	1.8	1	3.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

g. Collateralization requirements

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	9.6	2	7.4	3	12.0
Remained basically unchanged	47	90.4	25	92.6	22	88.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	27	100.0	25	100.0

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

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.9	1	3.4	0	0.0
Tightened somewhat	6	11.1	2	6.9	4	16.0
Remained basically unchanged	46	85.2	26	89.7	20	80.0
Eased somewhat	1	1.9	0	0.0	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.6	2	6.9	1	4.0
Remained basically unchanged	51	94.4	27	93.1	24	96.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.9	0	0.0	1	4.0
Tightened somewhat	11	20.4	7	24.1	4	16.0
Remained basically unchanged	38	70.4	20	69.0	18	72.0
Eased somewhat	4	7.4	2	6.9	2	8.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.9	1	3.4	0	0.0
Tightened somewhat	11	20.4	6	20.7	5	20.0
Remained basically unchanged	38	70.4	19	65.5	19	76.0
Eased somewhat	4	7.4	3	10.3	1	4.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.9	1	3.4	0	0.0
Tightened somewhat	12	22.2	8	27.6	4	16.0
Remained basically unchanged	41	75.9	20	69.0	21	84.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

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	7	13.0	4	13.8	3	12.0
Remained basically unchanged	47	87.0	25	86.2	22	88.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

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	6	11.1	3	10.3	3	12.0
Remained basically unchanged	48	88.9	26	89.7	22	88.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

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

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	14	73.7	6	75.0	8	72.7
Somewhat important	3	15.8	1	12.5	2	18.2
Very important	2	10.5	1	12.5	1	9.1
Total	19	100.0	8	100.0	11	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	15.8	1	12.5	2	18.2
Somewhat important	14	73.7	6	75.0	8	72.7
Very important	2	10.5	1	12.5	1	9.1
Total	19	100.0	8	100.0	11	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	10	52.6	3	37.5	7	63.6
Somewhat important	3	15.8	3	37.5	0	0.0
Very important	6	31.6	2	25.0	4	36.4
Total	19	100.0	8	100.0	11	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	15	78.9	7	87.5	8	72.7
Somewhat important	4	21.1	1	12.5	3	27.3
Very important	0	0.0	0	0.0	0	0.0
Total	19	100.0	8	100.0	11	100.0

e. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	21.1	1	12.5	3	27.3
Somewhat important	10	52.6	5	62.5	5	45.5
Very important	5	26.3	2	25.0	3	27.3
Total	19	100.0	8	100.0	11	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	11	57.9	4	50.0	7	63.6
Somewhat important	6	31.6	4	50.0	2	18.2
Very important	2	10.5	0	0.0	2	18.2
Total	19	100.0	8	100.0	11	100.0

g. Increase in defaults by borrowers in public debt markets

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	16	84.2	7	87.5	9	81.8
Somewhat important	2	10.5	1	12.5	1	9.1
Very important	1	5.3	0	0.0	1	9.1
Total	19	100.0	8	100.0	11	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	17	89.5	7	87.5	10	90.9
Somewhat important	2	10.5	1	12.5	1	9.1
Very important	0	0.0	0	0.0	0	0.0
Total	19	100.0	8	100.0	11	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	12	80.0	12	85.7	0	0.0
Somewhat important	3	20.0	2	14.3	1	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	15	100.0	14	100.0	1	100.0

b. More favorable or less uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	6	40.0	6	42.9	0	0.0
Somewhat important	7	46.7	6	42.9	1	100.0
Very important	2	13.3	2	14.3	0	0.0
Total	15	100.0	14	100.0	1	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	11	73.3	10	71.4	1	100.0
Somewhat important	4	26.7	4	28.6	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	15	100.0	14	100.0	1	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	20.0	3	21.4	0	0.0
Somewhat important	8	53.3	7	50.0	1	100.0
Very important	4	26.7	4	28.6	0	0.0
Total	15	100.0	14	100.0	1	100.0

e. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	11	73.3	11	78.6	0	0.0
Somewhat important	4	26.7	3	21.4	1	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	15	100.0	14	100.0	1	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	10	66.7	9	64.3	1	100.0
Somewhat important	3	20.0	3	21.4	0	0.0
Very important	2	13.3	2	14.3	0	0.0
Total	15	100.0	14	100.0	1	100.0

g. Reduction in defaults by borrowers in public debt markets

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	13	86.7	12	85.7	1	100.0
Somewhat important	2	13.3	2	14.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	15	100.0	14	100.0	1	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	10	66.7	10	71.4	0	0.0
Somewhat important	4	26.7	4	28.6	0	0.0
Very important	1	6.7	0	0.0	1	100.0
Total	15	100.0	14	100.0	1	100.0

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

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	5	9.1	5	16.7	0	0.0
About the same	31	56.4	18	60.0	13	52.0
Moderately weaker	19	34.5	7	23.3	12	48.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	2	3.7	1	3.4	1	4.0
About the same	34	63.0	19	65.5	15	60.0
Moderately weaker	17	31.5	9	31.0	8	32.0
Substantially weaker	1	1.9	0	0.0	1	4.0
Total	54	100.0	29	100.0	25	100.0

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

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

a. Customer inventory financing needs increased

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

b. Customer accounts receivable financing needs increased

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

c. Customer investment in plant or equipment increased

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

d. Customer internally generated funds decreased

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

e. Customer merger or acquisition financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	1	16.7	1	16.7	0	--
Somewhat important	5	83.3	5	83.3	0	--
Very important	0	0.0	0	0.0	0	--
Total	6	100.0	6	100.0	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	1	16.7	1	16.7	0	--
Somewhat important	5	83.3	5	83.3	0	--
Very important	0	0.0	0	0.0	0	--
Total	6	100.0	6	100.0	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	5	23.8	1	11.1	4	33.3
Somewhat important	14	66.7	8	88.9	6	50.0
Very important	2	9.5	0	0.0	2	16.7
Total	21	100.0	9	100.0	12	100.0

b. Customer accounts receivable financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	9.5	0	0.0	2	16.7
Somewhat important	17	81.0	9	100.0	8	66.7
Very important	2	9.5	0	0.0	2	16.7
Total	21	100.0	9	100.0	12	100.0

c. Customer investment in plant or equipment decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	1	4.8	1	11.1	0	0.0
Somewhat important	12	57.1	5	55.6	7	58.3
Very important	8	38.1	3	33.3	5	41.7
Total	21	100.0	9	100.0	12	100.0

d. Customer internally generated funds increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	38.1	3	33.3	5	41.7
Somewhat important	11	52.4	5	55.6	6	50.0
Very important	2	9.5	1	11.1	1	8.3
Total	21	100.0	9	100.0	12	100.0

e. Customer merger or acquisition financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	6	28.6	1	11.1	5	41.7
Somewhat important	10	47.6	5	55.6	5	41.7
Very important	5	23.8	3	33.3	2	16.7
Total	21	100.0	9	100.0	12	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	18	85.7	8	88.9	10	83.3
Somewhat important	3	14.3	1	11.1	2	16.7
Very important	0	0.0	0	0.0	0	0.0
Total	21	100.0	9	100.0	12	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
The number of inquiries has increased substantially	1	1.8	1	3.3	0	0.0
The number of inquiries has increased moderately	6	10.9	5	16.7	1	4.0
The number of inquiries has stayed about the same	35	63.6	18	60.0	17	68.0
The number of inquiries has decreased moderately	12	21.8	6	20.0	6	24.0
The number of inquiries has decreased substantially	1	1.8	0	0.0	1	4.0
Total	55	100.0	30	100.0	25	100.0

Question 7 *asks about the quality of C&I loans on your bank's books by the size of the borrowing firm.*

7. For C&I loans on your bank's books at the end of the fourth quarter of 2009, how does the delinquency rate on C&I loans to small firms compare with the delinquency rate on C&I loans to large and middle-market firms?

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
The rate for small firms is substantially higher than the rate for large and middle-market firms	7	13.0	5	17.2	2	8.0
The rate for small firms is moderately higher than the rate for large and middle-market firms	30	55.6	18	62.1	12	48.0
The rate for small firms is about the same as the rate for large and middle-market firms	15	27.8	4	13.8	11	44.0
The rate for small firms is moderately lower than the rate for large and middle-market firms	2	3.7	2	6.9	0	0.0
The rate for small firms is substantially lower than the rate for large and middle-market firms	0	0.0	0	0.0	0	0.0
My bank does not make C&I loans to both types of firms or does not make C&I loans at all	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

Questions 8-9 *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 8 deals with changes in your bank's standards over the past three months. Question 9 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.*

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	4	7.3	2	6.7	2	8.0
Tightened somewhat	11	20.0	4	13.3	7	28.0
Remained basically unchanged	40	72.7	24	80.0	16	64.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	2	3.6	2	6.7	0	0.0
About the same	36	65.5	21	70.0	15	60.0
Moderately weaker	14	25.5	5	16.7	9	36.0
Substantially weaker	3	5.5	2	6.7	1	4.0
Total	55	100.0	30	100.0	25	100.0

Question 10 *focuses on changes in your bank's policies on CRE loans over the past year. If your bank's lending policies have not changed over the past year, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past year, please report these changes regardless of how your bank's policies stand relative to longer-term norms.*

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

a. Maximum loan size

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	9	16.4	5	16.7	4	16.0
Tightened somewhat	19	34.5	10	33.3	9	36.0
Remained basically unchanged	26	47.3	14	46.7	12	48.0
Eased somewhat	1	1.8	1	3.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

b. Maximum loan maturity

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	4	7.3	3	10.0	1	4.0
Tightened somewhat	14	25.5	7	23.3	7	28.0
Remained basically unchanged	36	65.5	19	63.3	17	68.0
Eased somewhat	1	1.8	1	3.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

c. 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	18	32.7	15	50.0	3	12.0
Tightened somewhat	25	45.5	8	26.7	17	68.0
Remained basically unchanged	11	20.0	6	20.0	5	20.0
Eased somewhat	1	1.8	1	3.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

d. Loan-to-value ratios

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	9	16.4	5	16.7	4	16.0
Tightened somewhat	27	49.1	15	50.0	12	48.0
Remained basically unchanged	19	34.5	10	33.3	9	36.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

e. Requirements for take-out financing

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	8	14.5	4	13.3	4	16.0
Tightened somewhat	8	14.5	4	13.3	4	16.0
Remained basically unchanged	38	69.1	21	70.0	17	68.0
Eased somewhat	1	1.8	1	3.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

f. Debt-service coverage ratios

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	4	7.3	2	6.7	2	8.0
Tightened somewhat	33	60.0	18	60.0	15	60.0
Remained basically unchanged	18	32.7	10	33.3	8	32.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

Questions 11-12 *ask about three categories of* ***residential mortgage loans*** *at your bank—prime residential mortgages, nontraditional residential mortgages, and subprime residential mortgages. Question 11 deals with changes in your bank's credit standards for loans in each of these categories over the past three months. Question 12 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.*

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

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.9	0	0.0	1	4.2
Tightened somewhat	8	15.1	3	10.3	5	20.8
Remained basically unchanged	42	79.2	24	82.8	18	75.0
Eased somewhat	2	3.8	2	6.9	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	29	100.0	24	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	2	11.8	0	0.0	2	40.0
Tightened somewhat	3	17.6	2	16.7	1	20.0
Remained basically unchanged	12	70.6	10	83.3	2	40.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	17	100.0	12	100.0	5	100.0

For this question, 36 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

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

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	11	21.2	5	17.2	6	26.1
About the same	26	50.0	16	55.2	10	43.5
Moderately weaker	15	28.8	8	27.6	7	30.4
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	52	100.0	29	100.0	23	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	0	0.0	0	0.0	0	0.0
About the same	11	64.7	9	75.0	2	40.0
Moderately weaker	6	35.3	3	25.0	3	60.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	17	100.0	12	100.0	5	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:

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

Questions 13-14 *ask about* ***revolving home equity lines of credit*** *at your bank. Question 13 deals with changes in your bank's credit standards over the past three months. Question 14 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.*

13. 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	5	9.3	2	6.9	3	12.0
Remained basically unchanged	48	88.9	26	89.7	22	88.0
Eased somewhat	1	1.9	1	3.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	4	7.4	1	3.4	3	12.0
About the same	24	44.4	15	51.7	9	36.0
Moderately weaker	22	40.7	12	41.4	10	40.0
Substantially weaker	4	7.4	1	3.4	3	12.0
Total	54	100.0	29	100.0	25	100.0

Questions 15-20 *ask about consumer lending at your bank. Question 15 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 16-19 deal with changes in credit standards and loan terms over the same period. Question 20 deals with changes in demand for consumer loans over the past three months. If your bank's lending policies have not changed over the past three months, please report them as unchanged even if the policies are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies as changes in policies.*

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more willing	0	0.0	0	0.0	0	0.0
Somewhat more willing	6	11.5	3	11.1	3	12.0
About unchanged	45	86.5	23	85.2	22	88.0
Somewhat less willing	0	0.0	0	0.0	0	0.0
Much less willing	1	1.9	1	3.7	0	0.0
Total	52	100.0	27	100.0	25	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	5.6	1	5.3	1	5.9
Remained basically unchanged	33	91.7	17	89.5	16	94.1
Eased somewhat	1	2.8	1	5.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	36	100.0	19	100.0	17	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.8	1	3.7	2	8.0
Remained basically unchanged	47	90.4	24	88.9	23	92.0
Eased somewhat	2	3.8	2	7.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	27	100.0	25	100.0

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

a. Credit limits

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	2.9	1	5.3	0	0.0
Tightened somewhat	13	37.1	8	42.1	5	31.3
Remained basically unchanged	21	60.0	10	52.6	11	68.8
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	35	100.0	19	100.0	16	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	1	2.9	1	5.3	0	0.0
Tightened somewhat	7	20.0	4	21.1	3	18.8
Remained basically unchanged	26	74.3	13	68.4	13	81.3
Eased somewhat	1	2.9	1	5.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	35	100.0	19	100.0	16	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.9	0	0.0	1	6.3
Remained basically unchanged	34	97.1	19	100.0	15	93.8
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	35	100.0	19	100.0	16	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	6	17.1	4	21.1	2	12.5
Remained basically unchanged	27	77.1	13	68.4	14	87.5
Eased somewhat	2	5.7	2	10.5	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	35	100.0	19	100.0	16	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	1	2.9	1	5.3	0	0.0
Tightened somewhat	9	25.7	3	15.8	6	37.5
Remained basically unchanged	24	68.6	14	73.7	10	62.5
Eased somewhat	1	2.9	1	5.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	35	100.0	19	100.0	16	100.0

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

a. Maximum maturity

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.9	0	0.0	2	8.3
Remained basically unchanged	49	96.1	27	100.0	22	91.7
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	27	100.0	24	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	1	2.0	0	0.0	1	4.2
Tightened somewhat	5	9.8	3	11.1	2	8.3
Remained basically unchanged	42	82.4	22	81.5	20	83.3
Eased somewhat	3	5.9	2	7.4	1	4.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	27	100.0	24	100.0

c. Minimum required down payment

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	2.0	0	0.0	1	4.2
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	50	98.0	27	100.0	23	95.8
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	27	100.0	24	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	1	2.0	0	0.0	1	4.2
Tightened somewhat	3	5.9	0	0.0	3	12.5
Remained basically unchanged	45	88.2	25	92.6	20	83.3
Eased somewhat	2	3.9	2	7.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	27	100.0	24	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	1	2.0	0	0.0	1	4.2
Tightened somewhat	8	15.7	2	7.4	6	25.0
Remained basically unchanged	41	80.4	24	88.9	17	70.8
Eased somewhat	1	2.0	1	3.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	27	100.0	24	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	4	7.8	2	7.4	2	8.3
About the same	26	51.0	18	66.7	8	33.3
Moderately weaker	19	37.3	7	25.9	12	50.0
Substantially weaker	2	3.9	0	0.0	2	8.3
Total	51	100.0	27	100.0	24	100.0

21. Over the past three months, how has your bank changed the size of credit lines for existing customers with the following types of accounts? Please consider changes made to line sizes during the life of existing credit agreements as well as changes made to line sizes upon renewal or renegotiation of existing agreements.

a. Home equity lines of credit

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	2	3.8	2	7.1	0	0.0
Remained basically unchanged	42	79.2	20	71.4	22	88.0
Decreased somewhat	7	13.2	6	21.4	1	4.0
Decreased considerably	2	3.8	0	0.0	2	8.0
Total	53	100.0	28	100.0	25	100.0

b. Consumer credit card accounts

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	1	2.8	1	5.3	0	0.0
Remained basically unchanged	23	63.9	11	57.9	12	70.6
Decreased somewhat	12	33.3	7	36.8	5	29.4
Decreased considerably	0	0.0	0	0.0	0	0.0
Total	36	100.0	19	100.0	17	100.0

c. Business credit card accounts

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	33	89.2	17	85.0	16	94.1
Decreased somewhat	4	10.8	3	15.0	1	5.9
Decreased considerably	0	0.0	0	0.0	0	0.0
Total	37	100.0	20	100.0	17	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	1	2.0	1	3.8	0	0.0
Remained basically unchanged	41	83.7	22	84.6	19	82.6
Decreased somewhat	6	12.2	3	11.5	3	13.0
Decreased considerably	1	2.0	0	0.0	1	4.3
Total	49	100.0	26	100.0	23	100.0

e. Commercial construction lines of credit

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	1	2.0	0	0.0	1	4.3
Remained basically unchanged	28	56.0	18	66.7	10	43.5
Decreased somewhat	17	34.0	7	25.9	10	43.5
Decreased considerably	4	8.0	2	7.4	2	8.7
Total	50	100.0	27	100.0	23	100.0

f. Lines of credit for financial firms

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Increased considerably	0	0.0	0	0.0	0	0.0
Increased somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	26	63.4	15	65.2	11	61.1
Decreased somewhat	13	31.7	7	30.4	6	33.3
Decreased considerably	2	4.9	1	4.3	1	5.6
Total	41	100.0	23	100.0	18	100.0

In recent quarters, loan delinquencies and chargeoffs have moved higher. ***Questions 22-24*** *ask about your bank's expectations for the behavior of these measures of loan quality in 2010. Question 22 asks about C&I loans to large and middle-market firms and to small firms. Question 23 asks about CRE loans, and question 24 asks about loans to households.*

22. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **C&I loans** to large and middle-market firms and to small firms in 2010?

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	1	1.9	1	3.4	0	0.0
Loan quality is likely to improve somewhat	25	46.3	18	62.1	7	28.0
Loan quality is likely to stabilize around current levels	19	35.2	6	20.7	13	52.0
Loan quality is likely to deteriorate somewhat	9	16.7	4	13.8	5	20.0
Loan quality is likely to deteriorate substantially	0	0.0	0	0.0	0	0.0
My bank does not originate this type of loan	0	0.0	0	0.0	0	0.0
Total	54	100.0	29	100.0	25	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	18	34.0	11	39.3	7	28.0
Loan quality is likely to stabilize around current levels	21	39.6	9	32.1	12	48.0
Loan quality is likely to deteriorate somewhat	14	26.4	8	28.6	6	24.0
Loan quality is likely to deteriorate substantially	0	0.0	0	0.0	0	0.0
My bank does not originate this type of loan	1	1.9	1	3.6	0	0.0
Total	53	100.0	28	100.0	25	100.0

23. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **CRE loans** in 2010?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	8	14.5	3	10.0	5	20.0
Loan quality is likely to stabilize around current levels	20	36.4	11	36.7	9	36.0
Loan quality is likely to deteriorate somewhat	26	47.3	16	53.3	10	40.0
Loan quality is likely to deteriorate substantially	1	1.8	0	0.0	1	4.0
My bank does not originate this type of loan	0	0.0	0	0.0	0	0.0
Total	55	100.0	30	100.0	25	100.0

24. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **loans to households** in 2010?

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	10	18.9	7	24.1	3	12.5
Loan quality is likely to stabilize around current levels	23	43.4	12	41.4	11	45.8
Loan quality is likely to deteriorate somewhat	18	34.0	9	31.0	9	37.5
Loan quality is likely to deteriorate substantially	2	3.8	1	3.4	1	4.2
My bank does not originate this type of loan	0	0.0	0	0.0	0	0.0
Total	53	100.0	29	100.0	24	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	6	28.6	4	28.6	2	28.6
Loan quality is likely to stabilize around current levels	7	33.3	5	35.7	2	28.6
Loan quality is likely to deteriorate somewhat	5	23.8	2	14.3	3	42.9
Loan quality is likely to deteriorate substantially	3	14.3	3	21.4	0	0.0
My bank does not originate this type of loan	30	142.9	14	100.0	16	228.6
Total	21	100.0	14	100.0	7	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	2	33.3	2	40.0	0	0.0
Loan quality is likely to stabilize around current levels	2	33.3	1	20.0	1	100.0
Loan quality is likely to deteriorate somewhat	1	16.7	1	20.0	0	0.0
Loan quality is likely to deteriorate substantially	1	16.7	1	20.0	0	0.0
My bank does not originate this type of loan	46	766.7	24	480.0	22	2200.0
Total	6	100.0	5	100.0	1	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	9	17.3	8	29.6	1	4.0
Loan quality is likely to stabilize around current levels	26	50.0	12	44.4	14	56.0
Loan quality is likely to deteriorate somewhat	16	30.8	6	22.2	10	40.0
Loan quality is likely to deteriorate substantially	1	1.9	1	3.7	0	0.0
My bank does not originate this type of loan	1	1.9	1	3.7	0	0.0
Total	52	100.0	27	100.0	25	100.0

E. Outlook for loan quality on credit card loans:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	9	25.0	6	31.6	3	17.6
Loan quality is likely to stabilize around current levels	18	50.0	10	52.6	8	47.1
Loan quality is likely to deteriorate somewhat	9	25.0	3	15.8	6	35.3
Loan quality is likely to deteriorate substantially	0	0.0	0	0.0	0	0.0
My bank does not originate this type of loan	15	41.7	9	47.4	6	35.3
Total	36	100.0	19	100.0	17	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Loan quality is likely to improve substantially	0	0.0	0	0.0	0	0.0
Loan quality is likely to improve somewhat	13	25.5	11	42.3	2	8.0
Loan quality is likely to stabilize around current levels	33	64.7	15	57.7	18	72.0
Loan quality is likely to deteriorate somewhat	5	9.8	0	0.0	5	20.0
Loan quality is likely to deteriorate substantially	0	0.0	0	0.0	0	0.0
My bank does not originate this type of loan	2	3.9	2	7.7	0	0.0
Total	51	100.0	26	100.0	25	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 September 30, 2009. The combined assets of the 30 large banks totaled $6.1 trillion, compared to $6.4 trillion for the entire panel of 55 banks, and 10.3 trillion for all domestically chartered, federally insured commercial banks.

Table 2

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

(Status of policy as of January 2010)

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

1. Over the past three months, how have your bank's credit standards for approving applications for C&I loans or credit lines—other than those to be used to finance mergers and acquisitions—changed?

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.3
Remained basically unchanged	19	82.6
Eased somewhat	3	13.0
Eased considerably	0	0.0
Total	23	100.0

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

a. Maximum size of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.3
Remained basically unchanged	17	73.9
Eased somewhat	5	21.7
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	1	4.3
Remained basically unchanged	20	87.0
Eased somewhat	2	8.7
Eased considerably	0	0.0
Total	23	100.0

c. Costs of credit lines

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	4.5
Remained basically unchanged	14	63.6
Eased somewhat	7	31.8
Eased considerably	0	0.0
Total	22	100.0

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

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	4.5
Remained basically unchanged	11	50.0
Eased somewhat	10	45.5
Eased considerably	0	0.0
Total	22	100.0

e. Premiums charged on riskier loans

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	8.7
Remained basically unchanged	18	78.3
Eased somewhat	3	13.0
Eased considerably	0	0.0
Total	23	100.0

f. Loan covenants

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	8.7
Remained basically unchanged	18	78.3
Eased somewhat	3	13.0
Eased considerably	0	0.0
Total	23	100.0

g. Collateralization requirements

	All Respondents	
	Banks	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	8.7
Remained basically unchanged	20	87.0
Eased somewhat	1	4.3
Eased considerably	0	0.0
Total	23	100.0

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

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

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

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

b. Less favorable or more uncertain economic outlook

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

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

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

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

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

e. Reduced tolerance for risk

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

f. Decreased liquidity in the secondary market for these loans

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

g. Increase in defaults by borrowers in public debt markets

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

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

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

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

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

	All Respondents	
	Banks	**Percent**
Not important	5	55.6
Somewhat important	3	33.3
Very important	1	11.1
Total	9	100.0

b. More favorable or less uncertain economic outlook

	All Respondents	
	Banks	**Percent**
Not important	3	33.3
Somewhat important	5	55.6
Very important	1	11.1
Total	9	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	8	88.9
Somewhat important	0	0.0
Very important	1	11.1
Total	9	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	1	11.1
Somewhat important	6	66.7
Very important	2	22.2
Total	9	100.0

e. Increased tolerance for risk

	All Respondents	
	Banks	**Percent**
Not important	7	77.8
Somewhat important	1	11.1
Very important	1	11.1
Total	9	100.0

f. Increased liquidity in the secondary market for these loans

	All Respondents	
	Banks	**Percent**
Not important	3	33.3
Somewhat important	5	55.6
Very important	1	11.1
Total	9	100.0

g. Reduction in defaults by borrowers in public debt markets

	All Respondents	
	Banks	**Percent**
Not important	7	77.8
Somewhat important	1	11.1
Very important	1	11.1
Total	9	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	7	77.8
Somewhat important	1	11.1
Very important	1	11.1
Total	9	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	5	21.7
About the same	13	56.5
Moderately weaker	5	21.7
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	60.0
Somewhat important	2	40.0
Very important	0	0.0
Total	5	100.0

b. Customer accounts receivable financing needs increased

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

c. Customer investment in plant or equipment increased

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

d. Customer internally generated funds decreased

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

e. Customer merger or acquisition financing needs increased

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

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

a. Customer inventory financing needs decreased

	All Respondents	
	Banks	**Percent**
Not important	1	20.0
Somewhat important	2	40.0
Very important	2	40.0
Total	5	100.0

b. Customer accounts receivable financing needs decreased

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

c. Customer investment in plant or equipment decreased

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

d. Customer internally generated funds increased

	All Respondents	
	Banks	**Percent**
Not important	2	40.0
Somewhat important	1	20.0
Very important	2	40.0
Total	5	100.0

e. Customer merger or acquisition financing needs decreased

	All Respondents	
	Banks	**Percent**
Not important	1	20.0
Somewhat important	2	40.0
Very important	2	40.0
Total	5	100.0

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

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

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

	All Respondents	
	Banks	**Percent**
The number of inquiries has increased substantially	1	4.3
The number of inquiries has increased moderately	3	13.0
The number of inquiries has stayed about the same	16	69.6
The number of inquiries has decreased moderately	3	13.0
The number of inquiries has decreased substantially	0	0.0
Total	23	100.0

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

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	21.4
Remained basically unchanged	11	78.6
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	14	100.0

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

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	2	14.3
About the same	7	50.0
Moderately weaker	3	21.4
Substantially weaker	2	14.3
Total	14	100.0

Question 9 *focuses on changes in your bank's policies on CRE loans over the past year. If your bank's lending policies have not changed over the past year, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past year, please report these changes regardless of how your bank's policies stand relative to longer-term norms.*

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

a. Maximum loan size

	All Respondents	
	Banks	**Percent**
Tightened considerably	3	21.4
Tightened somewhat	2	14.3
Remained basically unchanged	8	57.1
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	14	100.0

b. Maximum loan maturity

	All Respondents	
	Banks	**Percent**
Tightened considerably	1	7.1
Tightened somewhat	3	21.4
Remained basically unchanged	10	71.4
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	14	100.0

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	3	21.4
Tightened somewhat	3	21.4
Remained basically unchanged	7	50.0
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	14	100.0

d. Loan-to-value ratios

	All Respondents	
	Banks	**Percent**
Tightened considerably	3	21.4
Tightened somewhat	4	28.6
Remained basically unchanged	7	50.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	14	100.0

e. Requirements for take-out financing

	All Respondents	
	Banks	**Percent**
Tightened considerably	2	14.3
Tightened somewhat	2	14.3
Remained basically unchanged	10	71.4
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	14	100.0

f. Debt-service coverage ratios

	All Respondents	
	Banks	**Percent**
Tightened considerably	2	14.3
Tightened somewhat	6	42.9
Remained basically unchanged	6	42.9
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	14	100.0

10. Over the past three months, how has your bank changed the size of credit lines for existing customers with the following types of accounts? Please consider changes made to line sizes during the life of existing credit agreements as well as changes made to line sizes upon renewal or renegotiation of existing agreements.

a. Business credit card accounts

	All Respondents	
	Banks	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	5	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	5	100.0

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

	All Respondents	
	Banks	**Percent**
Increased considerably	0	0.0
Increased somewhat	3	15.0
Remained basically unchanged	15	75.0
Decreased somewhat	2	10.0
Decreased considerably	0	0.0
Total	20	100.0

c. Commercial construction lines of credit

	All Respondents	
	Banks	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	2	28.6
Decreased somewhat	2	28.6
Decreased considerably	3	42.9
Total	7	100.0

d. Lines of credit for financial firms

	All Respondents	
	Banks	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	11	73.3
Decreased somewhat	4	26.7
Decreased considerably	0	0.0
Total	15	100.0

In recent quarters, loan delinquencies and chargeoffs have moved higher. ***Questions 11-12*** *ask about your bank's expectations for the behavior of these measures of loan quality in 2010. Question 11 asks about C&I loans. Question 12 asks about CRE loans.*

11. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **C&I loans** in 2010?

	All Respondents	
	Banks	**Percent**
Loan quality is likely to improve substantially	2	8.7
Loan quality is likely to improve somewhat	12	52.2
Loan quality is likely to stabilize around current levels	9	39.1
Loan quality is likely to deteriorate somewhat	0	0.0
Loan quality is likely to deteriorate substantially	0	0.0
My bank does not originate this type of loan	0	0.0
Total	23	100.0

12. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and chargeoffs on your bank's **CRE loans** in 2010?

	All Respondents	
	Banks	**Percent**
Loan quality is likely to improve substantially	0	0.0
Loan quality is likely to improve somewhat	1	6.7
Loan quality is likely to stabilize around current levels	10	66.7
Loan quality is likely to deteriorate somewhat	4	26.7
Loan quality is likely to deteriorate substantially	0	0.0
My bank does not originate this type of loan	1	6.7
Total	15	100.0

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1. As of September 30, 2009, the 23 respondents had combined assets of $1.0 trillion, compared to $1.9 trillion for all foreign related banking institutions in the United States. The sample is selected from among the largest foreign-related banking institutions in those Federal Reserve Districts where such institutions are common.