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DIVISION OF MONETARY AFFAIRS

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TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

Enclosed for distribution to respondents is a national summary of the October 2011 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 October 2011 Senior Loan Officer Opinion Survey on Bank Lending Practices

The October 2011 Senior Loan Officer Opinion Survey on Bank Lending Practices addressed changes in the supply of, and demand for, bank loans to businesses and households over the past three months. This summary is based on responses from 51 domestic banks and 22 U.S. branches and agencies of foreign banks.[1]

Regarding lending standards, fewer domestic banks eased standards and terms on commercial and industrial (C&I) loans over the third quarter compared with recent quarters, particularly on loans to large and middle-market firms.[2] About one-fourth of foreign respondents, which primarily lend to businesses, reported that they had tightened lending standards on C&I loans.[3] All of the domestic and foreign respondents that reported having tightened standards or terms on C&I loans cited a less favorable or more uncertain economic outlook as a reason for the tightening. In response to a special question, a large number of both domestic and foreign respondents indicated that they had tightened standards on loans to European banks and their affiliates or subsidiaries. Standards for commercial and residential real estate loans changed little over the past three months, and a small net fraction of banks indicated that they had eased standards on several types of consumer loans.

According to the survey, changes in loan demand were mixed. A moderate net fraction of banks reported weaker demand for C&I loans, in contrast to the increased demand reported in the previous three surveys; however, some large domestic banks continued to report stronger demand.[4] Several large banks also reported increased demand for commercial real estate (CRE) loans. On the household side, demand for loans to purchase homes reportedly increased, though those reports may reflect the moderate rise in refinancing activity. Demand for home equity loans decreased and demand for consumer loans reportedly was little changed.

Business Lending
(Table 1, questions 1-12; Table 2, questions 1-12)

[1] Respondent banks received the survey on or after October 4, 2011, and responses were due by October 18, 2011.

[2] *Large and middle-market firms* are generally defined as firms with annual sales of $50 million or more and *small firms* as those with annual sales of less than $50 million.

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

[4] *Large banks* are defined as banks with assets greater than or equal to $20 billion as of March 31, 2011, and *other banks* as those with assets of less than $20 billion.

Questions on Commercial and Industrial Lending. A small net fraction of domestic banks reported having eased standards on C&I loans during the third quarter, in contrast to more widespread reports of such easing in previous quarters. This moderate net reduction in easing was concentrated in loans to large and middle-market firms rather than in loans to smaller firms. Branches and agencies of foreign banks, which generally only lend to larger firms, reported a tightening of standards on C&I loans for the first time in several quarters. Domestic banks continued to ease some terms on C&I loans to both large and small firms, including by cutting loan rate spreads over their costs of funds and by reducing the use of interest rate floors. However, the fraction of banks reporting such easing of terms on loans to larger firms declined somewhat, and interest rate premiums on riskier loans reportedly increased on net. Foreign banks tightened all terms on C&I loans on net.

Domestic banks that reported having eased standards or terms on C&I loans continued to widely cite more-aggressive competition from other banks or nonbank lenders as a reason for having done so. Fewer domestic banks cited a more favorable or less uncertain economic outlook as a reason for easing compared with the previous survey. In contrast, domestic and foreign banks that reported having tightened standards unanimously cited a less favorable or more uncertain economic outlook. These banks also cited reduced tolerances for risk, decreased liquidity in the secondary market, and increased concerns about the effects of government policies (legislative changes, supervisory actions, or changes in accounting standards).

Reports of weaker demand for C&I loans outnumbered reports of stronger demand in a reversal from recent quarters, particularly with respect to demand from large and middle-market firms. Reports of increased inquiries from potential business borrowers for new credit lines also decreased significantly and, for the first time in several quarters, were outnumbered by reports of decreased inquiries. Banks that saw stronger demand for C&I loans cited many of the same determinants of demand as banks that saw weaker demand, perhaps reflecting the particular and varying needs of their customers. These factors included the need to finance inventories, accounts receivable, investments in plants and equipment, and merger and acquisition activities. Banks that saw weaker demand for C&I loans were much more likely to cite an increase in customers' internally generated funds, and banks that saw stronger demand were more likely to cite a shift in borrowing from other bank or nonbank sources.

Special Questions on Lending to Firms with European Exposures. A set of special questions in the October survey asked respondents about lending to banks headquartered in Europe and their affiliates and subsidiaries (regardless of the location of the affiliates and subsidiaries) and to nonfinancial firms that have operations in the United States and significant exposures to European economies (regardless of the location of their headquarters).

About one-half of the domestic bank respondents, mostly large banks, indicated that they make loans or extend credit lines to European banks or their affiliates or subsidiaries, and about two-thirds of the foreign respondents indicated the same. Among those domestic and foreign respondents, a large share—about two-thirds—reported having tightened standards on loans to European banks over the third quarter. Many domestic banks indicated that the tightening was considerable.

About three-fifths of the domestic respondents, mostly large banks, and all foreign respondents indicated that they make loans or extend credit lines to nonfinancial firms that have operations in the United States and significant exposures to European economies. Among those domestic and foreign respondents, a moderate fraction indicated that they had tightened standards on C&I loans to such firms. These loans reportedly constituted a small portion—less than 5 percent—of outstanding C&I loans at a majority of domestic respondents, and greater exposures were reported only by large banks. Such loans typically accounted for larger portions of the foreign respondents' lending.

Small net fractions of domestic respondents indicated weaker demand for credit from European banks (and their affiliates or subsidiaries) and from nonfinancial firms with significant exposures to European economies.

Questions on Commercial Real Estate Lending. Domestic banks continued to report little change in their standards on CRE loans, which were widely described in a special question in the previous survey as being at or near their tightest levels since 2005. In contrast, a large fraction of foreign respondents reported having tightened standards on CRE loans, in a substantial shift from the net easing reported by those institutions in the prior two surveys. Modest fractions of domestic and foreign banks reported a strengthening of demand for CRE loans, on net, although these reports were a bit less widespread than in the two previous surveys.

Lending to Households
(Table 1, questions 13-26)

Questions on Residential Real Estate Lending. Reports of strengthened demand for mortgage loans to purchase homes outnumbered reports of weaker demand for the first time since early 2010, perhaps reflecting refinancing activity.[5] The number of banks reporting weaker demand for home equity lines of credit increased in the third quarter, particularly among smaller banks.

Few banks reported changes in standards on prime or nontraditional closed-end residential real estate loans, in line with the past several surveys. Similarly, very few banks reported any change in standards for home equity lines of credit, also in line with recent surveys.

Questions on Consumer Lending. Modest fractions of banks reported having eased standards on consumer credit card loans and on other non-auto loans. As in the previous

[5] Although the question asks them to do so, some respondents may find it difficult to separate mortgage demand associated with the purchase of new loans from that associated with the refinancing of existing mortgages.

survey, somewhat larger fractions of banks reported having eased standards on auto loans.

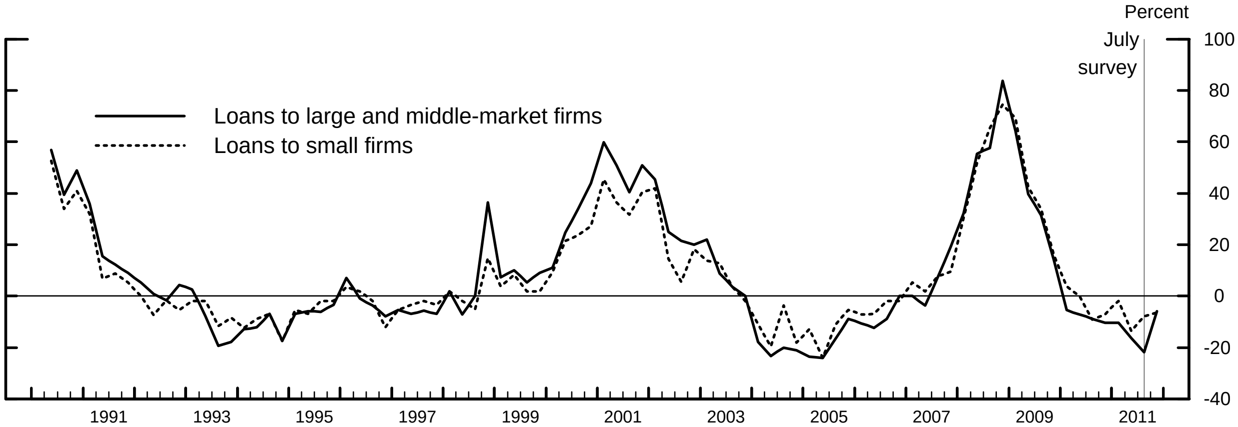
Banks, on net, continued to report having narrowed the spreads of interest rates on auto loans over their cost of funds, though these reports have been volatile over the past few quarters. A modest net fraction of banks also reported lengthening maximum maturities and lowering minimum required credit scores on auto loans. Small numbers of banks reported having eased some terms on credit card loans.

A small number of banks, on net, reported a strengthening of demand for consumer credit card and auto loans, in line with the past few quarters. Banks reported small, mixed changes, on net, in the demand for other types of consumer loans.

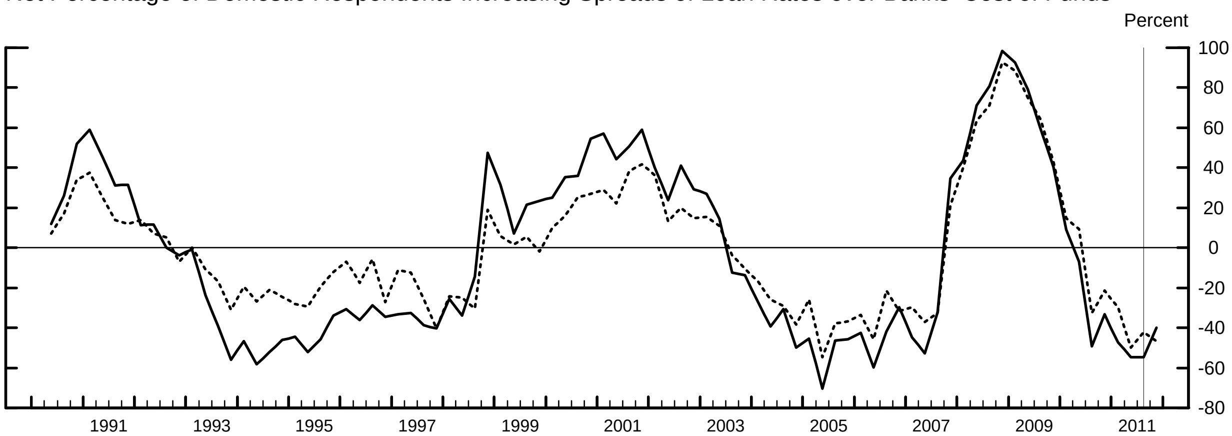
This document was prepared by Jonathan Rose and Cindy Vojtech with the assistance of Sam Haltenhof and Sam Levine, Division of Monetary Affairs, Board of Governors of the Federal Reserve System.

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

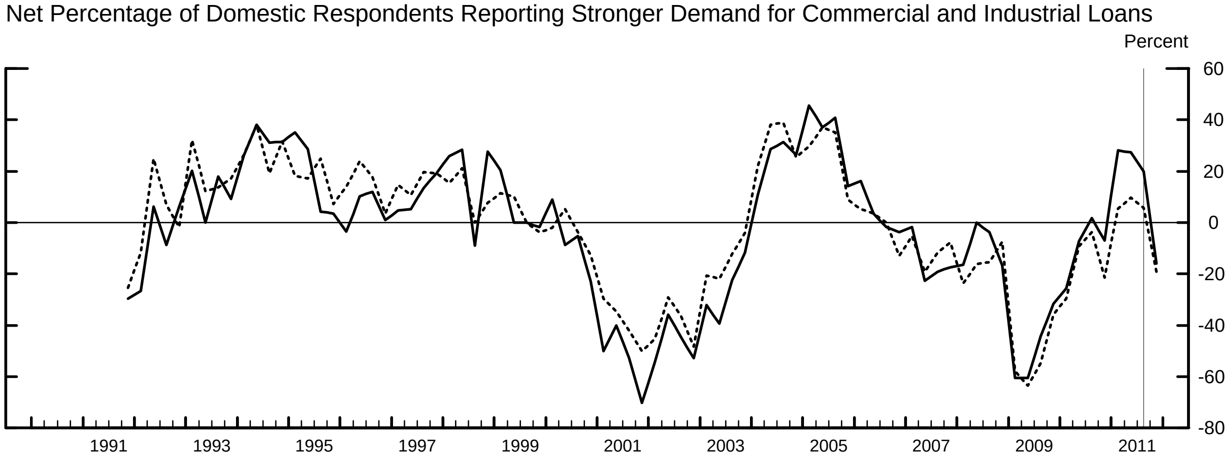
Net Percentage of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



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

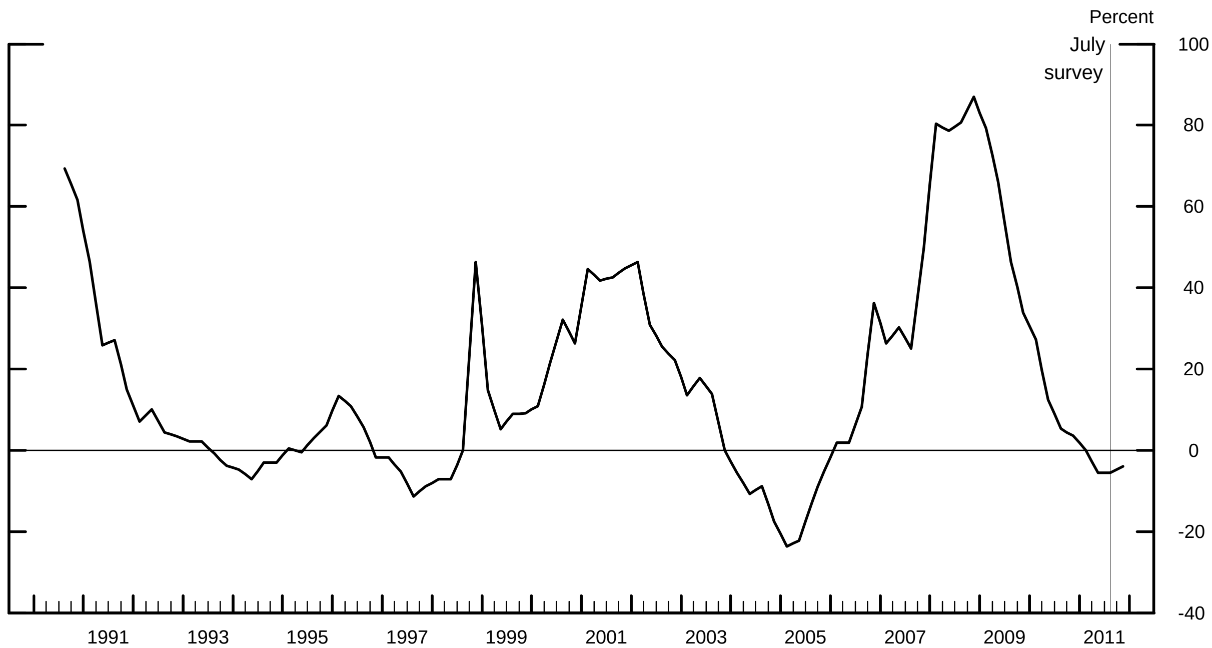


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans

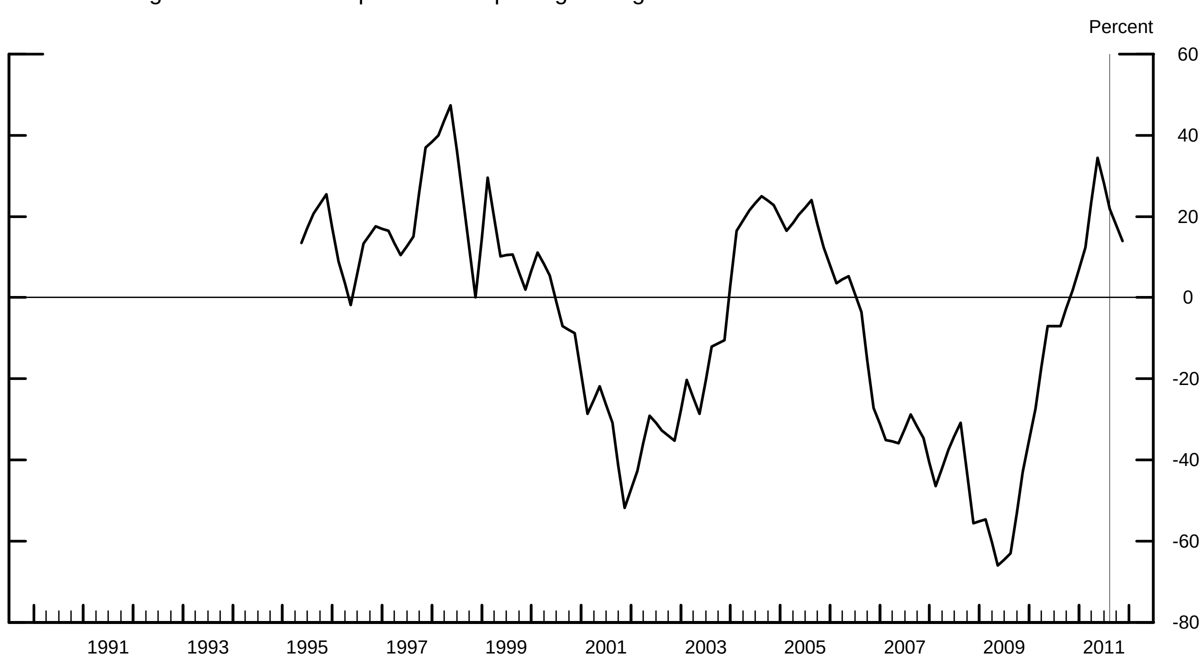


Measures of Supply and Demand for Commercial Real Estate Loans

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

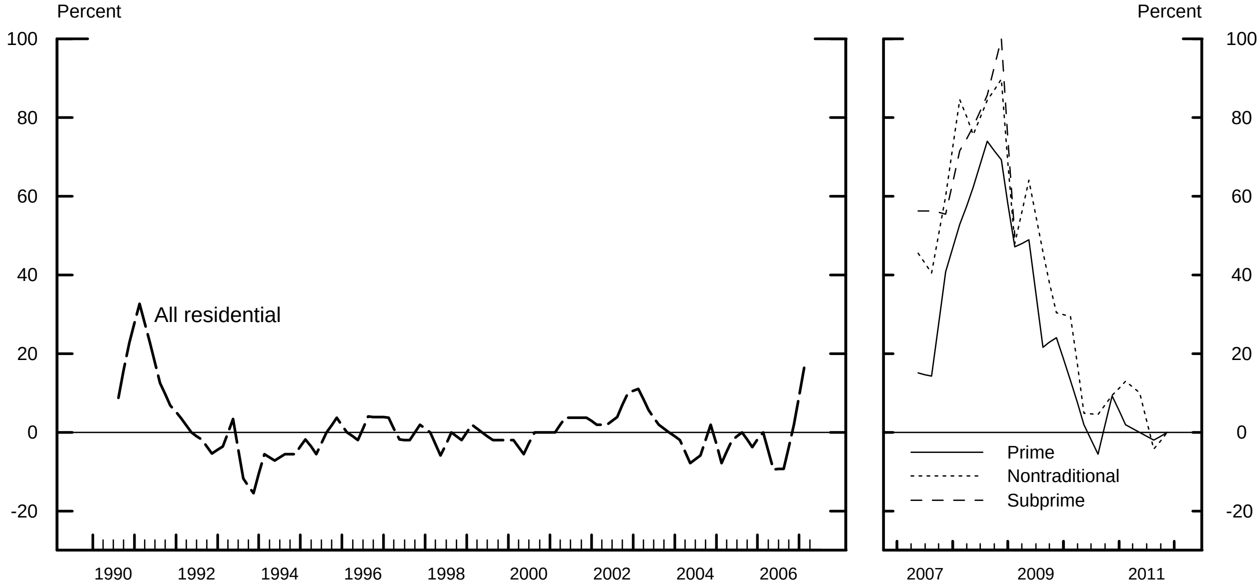


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial Real Estate Loans



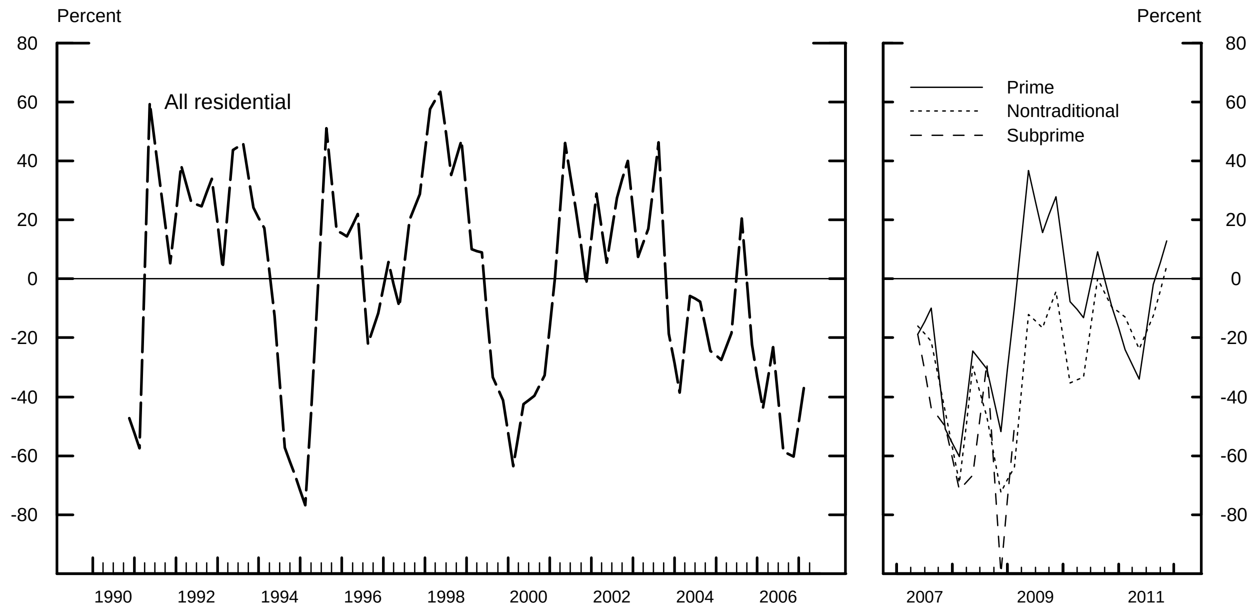
Measures of Supply and Demand for Residential Mortgage Loans

Net Percentage of Domestic Respondents Tightening Standards for Residential Mortgage Loans



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

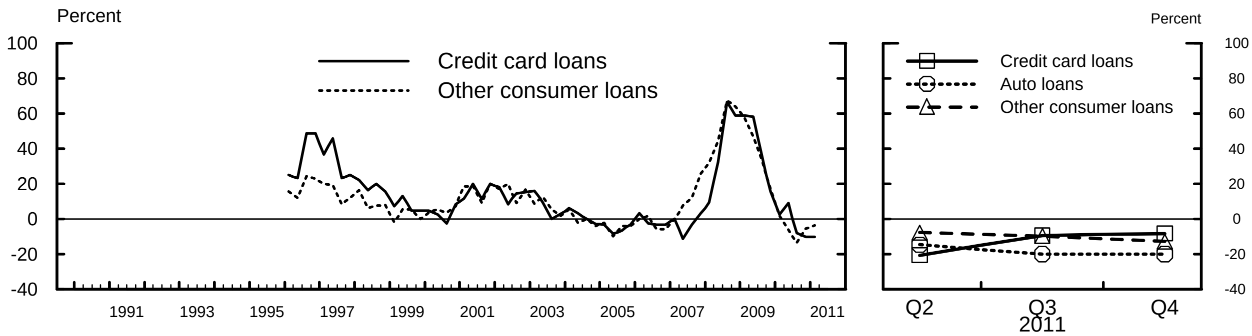
Net Percentage of Domestic Respondents Reporting Stronger Demand for Residential Mortgage Loans



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

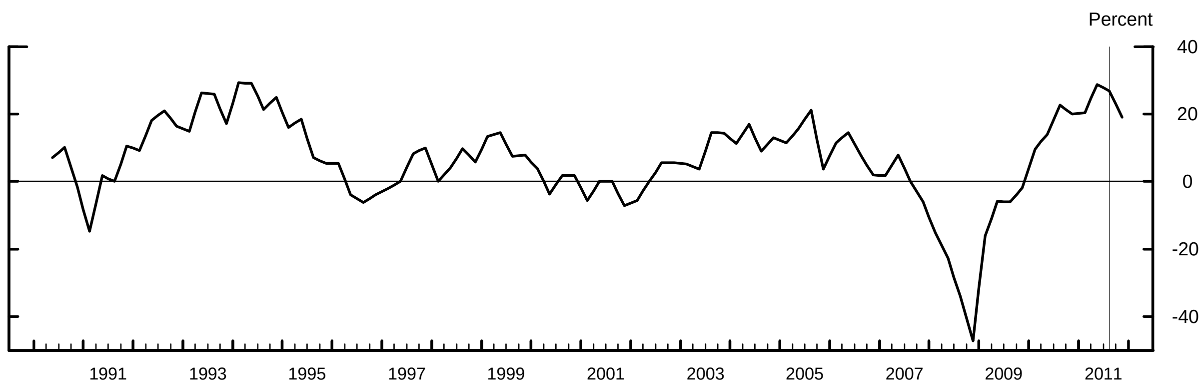
Measures of Supply and Demand for Consumer Loans

Net Percentage of Domestic Respondents Tightening Standards for Consumer Loans

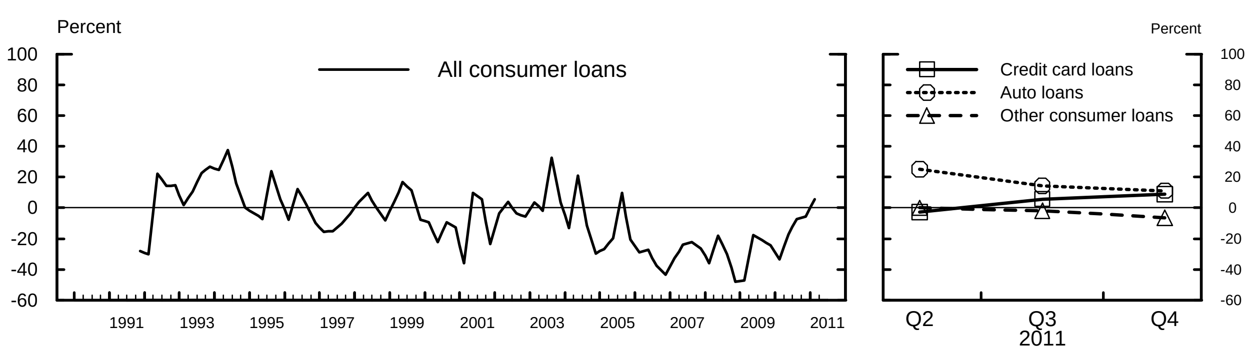


Note: For data starting in 2011:Q2, changes in standards for auto loans and consumer loans excluding credit card and auto loans are reported separately. In 2011:Q2 only, new and used auto loans are reported separately and equally weighted to calculate the auto loans series.

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



Net Percentage of Domestic Respondents Reporting Stronger Demand for Consumer Loans



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

Note: Table 1 was revised to reflect an additional domestic respondent, for a total of 51. The summary text and corresponding html table were not affected.

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 October 2011)

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

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

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.9	2	6.5	0	0.0
Remained basically unchanged	44	86.3	25	80.6	19	95.0
Eased somewhat	5	9.8	4	12.9	1	5.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	31	100.0	20	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.1	1	3.6	0	0.0
Remained basically unchanged	43	89.6	25	89.3	18	90.0
Eased somewhat	4	8.3	2	7.1	2	10.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	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	4	7.8	3	9.7	1	5.0
Remained basically unchanged	41	80.4	22	71.0	19	95.0
Eased somewhat	6	11.8	6	19.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	31	100.0	20	100.0

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.9	2	6.5	0	0.0
Remained basically unchanged	44	86.3	24	77.4	20	100.0
Eased somewhat	5	9.8	5	16.1	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	31	100.0	20	100.0

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	2.0	1	3.2	0	0.0
Tightened somewhat	3	5.9	3	9.7	0	0.0
Remained basically unchanged	34	66.7	19	61.3	15	75.0
Eased somewhat	12	23.5	7	22.6	5	25.0
Eased considerably	1	2.0	1	3.2	0	0.0
Total	51	100.0	31	100.0	20	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	2.0	1	3.2	0	0.0
Tightened somewhat	4	7.8	2	6.5	2	10.0
Remained basically unchanged	20	39.2	12	38.7	8	40.0
Eased somewhat	25	49.0	15	48.4	10	50.0
Eased considerably	1	2.0	1	3.2	0	0.0
Total	51	100.0	31	100.0	20	100.0

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	2.0	1	3.2	0	0.0
Tightened somewhat	6	11.8	5	16.1	1	5.0
Remained basically unchanged	41	80.4	23	74.2	18	90.0
Eased somewhat	3	5.9	2	6.5	1	5.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	31	100.0	20	100.0

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	2.0	1	3.2	0	0.0
Tightened somewhat	3	5.9	3	9.7	0	0.0
Remained basically unchanged	41	80.4	21	67.7	20	100.0
Eased somewhat	6	11.8	6	19.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	31	100.0	20	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	1	2.0	1	3.2	0	0.0
Remained basically unchanged	49	96.1	29	93.5	20	100.0
Eased somewhat	1	2.0	1	3.2	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	31	100.0	20	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	2	4.2	1	3.3	1	5.6
Remained basically unchanged	29	60.4	20	66.7	9	50.0
Eased somewhat	12	25.0	6	20.0	6	33.3
Eased considerably	5	10.4	3	10.0	2	11.1
Total	48	100.0	30	100.0	18	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	47	97.9	27	96.4	20	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	1	2.1	1	3.6	0	0.0
Total	48	100.0	28	100.0	20	100.0

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	45	93.8	25	89.3	20	100.0
Eased somewhat	3	6.3	3	10.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	100.0

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	37	77.1	22	78.6	15	75.0
Eased somewhat	10	20.8	5	17.9	5	25.0
Eased considerably	1	2.1	1	3.6	0	0.0
Total	48	100.0	28	100.0	20	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	2.1	0	0.0	1	5.0
Remained basically unchanged	23	47.9	11	39.3	12	60.0
Eased somewhat	23	47.9	16	57.1	7	35.0
Eased considerably	1	2.1	1	3.6	0	0.0
Total	48	100.0	28	100.0	20	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	1	2.1	0	0.0	1	5.0
Remained basically unchanged	45	93.8	27	96.4	18	90.0
Eased somewhat	2	4.2	1	3.6	1	5.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	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	2	4.2	2	7.1	0	0.0
Remained basically unchanged	44	91.7	24	85.7	20	100.0
Eased somewhat	2	4.2	2	7.1	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	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	2	4.2	2	7.1	0	0.0
Remained basically unchanged	45	93.8	25	89.3	20	100.0
Eased somewhat	1	2.1	1	3.6	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	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	1	2.2	0	0.0	1	5.3
Remained basically unchanged	29	63.0	19	70.4	10	52.6
Eased somewhat	12	26.1	6	22.2	6	31.6
Eased considerably	4	8.7	2	7.4	2	10.5
Total	46	100.0	27	100.0	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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	88.9	6	85.7	2	100.0
Somewhat important	1	11.1	1	14.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	0	0.0	0	0.0	0	0.0
Somewhat important	4	44.4	3	42.9	1	50.0
Very important	5	55.6	4	57.1	1	50.0
Total	9	100.0	7	100.0	2	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	7	77.8	5	71.4	2	100.0
Somewhat important	2	22.2	2	28.6	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	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	6	66.7	4	57.1	2	100.0
Somewhat important	3	33.3	3	42.9	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	100.0

e. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	44.4	3	42.9	1	50.0
Somewhat important	5	55.6	4	57.1	1	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	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	4	44.4	3	42.9	1	50.0
Somewhat important	3	33.3	2	28.6	1	50.0
Very important	2	22.2	2	28.6	0	0.0
Total	9	100.0	7	100.0	2	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	8	88.9	6	85.7	2	100.0
Somewhat important	1	11.1	1	14.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	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	4	44.4	3	42.9	1	50.0
Somewhat important	5	55.6	4	57.1	1	50.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	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	22	84.6	13	81.3	9	90.0
Somewhat important	3	11.5	2	12.5	1	10.0
Very important	1	3.8	1	6.3	0	0.0
Total	26	100.0	16	100.0	10	100.0

b. More favorable or less uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	20	76.9	10	62.5	10	100.0
Somewhat important	6	23.1	6	37.5	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	26	100.0	16	100.0	10	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	20	76.9	13	81.3	7	70.0
Somewhat important	6	23.1	3	18.8	3	30.0
Very important	0	0.0	0	0.0	0	0.0
Total	26	100.0	16	100.0	10	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	3.8	0	0.0	1	10.0
Somewhat important	11	42.3	5	31.3	6	60.0
Very important	14	53.8	11	68.8	3	30.0
Total	26	100.0	16	100.0	10	100.0

e. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	22	84.6	12	75.0	10	100.0
Somewhat important	4	15.4	4	25.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	26	100.0	16	100.0	10	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	20	76.9	10	62.5	10	100.0
Somewhat important	4	15.4	4	25.0	0	0.0
Very important	2	7.7	2	12.5	0	0.0
Total	26	100.0	16	100.0	10	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	21	80.8	13	81.3	8	80.0
Somewhat important	5	19.2	3	18.8	2	20.0
Very important	0	0.0	0	0.0	0	0.0
Total	26	100.0	16	100.0	10	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	25	96.2	15	93.8	10	100.0
Somewhat important	1	3.8	1	6.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	26	100.0	16	100.0	10	100.0

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

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	8	15.7	7	22.6	1	5.0
About the same	27	52.9	15	48.4	12	60.0
Moderately weaker	15	29.4	8	25.8	7	35.0
Substantially weaker	1	2.0	1	3.2	0	0.0
Total	51	100.0	31	100.0	20	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	4	8.3	3	10.7	1	5.0
About the same	31	64.6	18	64.3	13	65.0
Moderately weaker	12	25.0	6	21.4	6	30.0
Substantially weaker	1	2.1	1	3.6	0	0.0
Total	48	100.0	28	100.0	20	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	1	12.5	1	14.3	0	0.0
Somewhat important	7	87.5	6	85.7	1	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	7	100.0	1	100.0

b. Customer accounts receivable financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	1	12.5	1	14.3	0	0.0
Somewhat important	7	87.5	6	85.7	1	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	7	100.0	1	100.0

c. Customer investment in plant or equipment increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	37.5	2	28.6	1	100.0
Somewhat important	5	62.5	5	71.4	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	7	100.0	1	100.0

d. Customer internally generated funds decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	7	87.5	6	85.7	1	100.0
Somewhat important	1	12.5	1	14.3	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	8	100.0	7	100.0	1	100.0

e. Customer merger or acquisition financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	25.0	2	28.6	0	0.0
Somewhat important	5	62.5	4	57.1	1	100.0
Very important	1	12.5	1	14.3	0	0.0
Total	8	100.0	7	100.0	1	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	44.4	4	57.1	0	0.0
Somewhat important	5	55.6	3	42.9	2	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	9	100.0	7	100.0	2	100.0

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

a. Customer inventory financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	12.5	2	20.0	0	0.0
Somewhat important	14	87.5	8	80.0	6	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	16	100.0	10	100.0	6	100.0

b. Customer accounts receivable financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	18.8	3	30.0	0	0.0
Somewhat important	13	81.3	7	70.0	6	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	16	100.0	10	100.0	6	100.0

c. Customer investment in plant or equipment decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	12.5	1	10.0	1	16.7
Somewhat important	10	62.5	7	70.0	3	50.0
Very important	4	25.0	2	20.0	2	33.3
Total	16	100.0	10	100.0	6	100.0

d. Customer internally generated funds increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	50.0	4	40.0	4	66.7
Somewhat important	6	37.5	5	50.0	1	16.7
Very important	2	12.5	1	10.0	1	16.7
Total	16	100.0	10	100.0	6	100.0

e. Customer merger or acquisition financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	6	37.5	1	10.0	5	83.3
Somewhat important	8	50.0	8	80.0	0	0.0
Very important	2	12.5	1	10.0	1	16.7
Total	16	100.0	10	100.0	6	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	14	87.5	8	80.0	6	100.0
Somewhat important	1	6.3	1	10.0	0	0.0
Very important	1	6.3	1	10.0	0	0.0
Total	16	100.0	10	100.0	6	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	2.0	1	3.2	0	0.0
The number of inquiries has increased moderately	6	11.8	3	9.7	3	15.0
The number of inquiries has stayed about the same	29	56.9	18	58.1	11	55.0
The number of inquiries has decreased moderately	13	25.5	8	25.8	5	25.0
The number of inquiries has decreased substantially	2	3.9	1	3.2	1	5.0
Total	51	100.0	31	100.0	20	100.0

Current fiscal and financial strains in Europe may have affected lending conditions for nonfinancial companies that have operations in the United States and significant exposure to European economies, as well as banks headquartered in Europe and their affiliates and subsidiaries. ***Question 7*** *deals with the extent to which your bank lends to the first type of firms.* ***Question 8*** *deals with changes in your bank's lending policies toward both types of firms over the past three months. In addition, developments in Europe may have affected the demand for credit from U.S. banks by these firms.* ***Questions 9-10*** *deal with such changes in demand. Please consider all nonfinancial companies with operations in the United States regardless of the location of their headquarters, and please consider the affiliates and subsidiaries of European banks regardless of the location of those affiliates and subsidiaries.*

7. Of the dollar volume of outstanding C&I loans at your bank, what percent is to nonfinancial companies that have operations in the United States and significant exposure to European economies? (For example, such loans may include loans to operations of European firms that are located in the United States, or loans to domestic firms that conduct a significant part of their business with European firms.)

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Between 0 and 5 percent	23	62.2	11	44.0	12	100.0
Between 5 and 10 percent	4	10.8	4	16.0	0	0.0
Between 10 and 20 percent	7	18.9	7	28.0	0	0.0
Between 20 and 50 percent	2	5.4	2	8.0	0	0.0
50 percent or more	1	2.7	1	4.0	0	0.0
Total	37	100.0	25	100.0	12	100.0

For this question, 13 respondents answered “My bank has no outstanding loans to nonfinancial companies that have operations in the United States and significant exposure to European economies.”

8. Over the past three months, how have your bank's credit standards and terms for approving applications for loans or credit lines—other than those to be used to finance mergers and acquisitions—for the following types of firms changed?

A. Nonfinancial companies that have operations in the United States and significant exposure to European economies (as described in **Question 7**)

	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	16.7	6	24.0	0	0.0
Remained basically unchanged	30	83.3	19	76.0	11	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	36	100.0	25	100.0	11	100.0

For this question, 13 respondents answered “My bank does not make loans or extend credit lines to nonfinancial companies that have operations in the United States and significant exposure to European economies.”

B. Banks headquartered in Europe and their affiliates and subsidiaries

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	10	40.0	9	42.9	1	25.0
Tightened somewhat	7	28.0	7	33.3	0	0.0
Remained basically unchanged	8	32.0	5	23.8	3	75.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	25	100.0	21	100.0	4	100.0

For this question, 24 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

9. Over the past three months and apart from normal seasonal variation, how has demand for loans at your bank from the following types of firms changed? (Please consider only funds actually disbursed as opposed to requests for new or increased lines of credit.)

A. Nonfinancial companies with operations in the United States and significant exposures to European economies (as described in **Question 7**)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	1	2.8	1	4.0	0	0.0
About the same	32	88.9	22	88.0	10	90.9
Moderately weaker	3	8.3	2	8.0	1	9.1
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	36	100.0	25	100.0	11	100.0

For this question, 13 respondents answered “My bank does not make loans or extend credit lines to nonfinancial companies that have operations in the United States and significant exposure to European economies.”

B. Banks headquartered in Europe and their affiliates and subsidiaries

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	1	4.0	1	4.8	0	0.0
Moderately stronger	2	8.0	2	9.5	0	0.0
About the same	16	64.0	13	61.9	3	75.0
Moderately weaker	5	20.0	5	23.8	0	0.0
Substantially weaker	1	4.0	0	0.0	1	25.0
Total	25	100.0	21	100.0	4	100.0

For this question, 24 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

10. Over the past three months, how has the number of inquiries at your bank regarding the availability and terms of new credit lines or increases in existing lines from the following types of firms changed? (Please consider only inquiries for additional or increased lines as opposed to the refinancing of existing loans.)

A. Nonfinancial companies with operations in the United States and significant exposures to European economies (as described in **Question 7**)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
The number of inquiries has increased substantially	0	0.0	0	0.0	0	0.0
The number of inquiries has increased moderately	1	2.9	1	4.2	0	0.0
The number of inquiries has stayed about the same	31	88.6	21	87.5	10	90.9
The number of inquiries has decreased moderately	3	8.6	2	8.3	1	9.1
The number of inquiries has decreased substantially	0	0.0	0	0.0	0	0.0
Total	35	100.0	24	100.0	11	100.0

For this question, 13 respondents answered “My bank does not make loans or extend credit lines to nonfinancial companies that have operations in the United States and significant exposure to European economies.”

B. Banks headquartered in Europe and their affiliates and subsidiaries

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
The number of inquiries has increased substantially	1	4.2	1	5.0	0	0.0
The number of inquiries has increased moderately	3	12.5	3	15.0	0	0.0
The number of inquiries has stayed about the same	16	66.7	13	65.0	3	75.0
The number of inquiries has decreased moderately	2	8.3	2	10.0	0	0.0
The number of inquiries has decreased substantially	2	8.3	1	5.0	1	25.0
Total	24	100.0	20	100.0	4	100.0

For this question, 24 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

Questions 11-12 *ask about commercial real estate (CRE) loans at your bank, including construction and land development loans and loans secured by nonfarm nonresidential real estate. Question 11 deals with changes in your bank's standards over the past three months. Question 12 deals with changes in demand. If your bank's lending standards or terms have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's standards or terms have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	9.8	4	12.9	1	5.0
Remained basically unchanged	40	78.4	21	67.7	19	95.0
Eased somewhat	6	11.8	6	19.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	31	100.0	20	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	13	25.5	9	29.0	4	20.0
About the same	32	62.7	20	64.5	12	60.0
Moderately weaker	4	7.8	1	3.2	3	15.0
Substantially weaker	2	3.9	1	3.2	1	5.0
Total	51	100.0	31	100.0	20	100.0

Questions 13-14 *ask about three categories of* ***residential mortgage loans*** *at your bank—prime residential mortgages, nontraditional residential mortgages, and subprime residential mortgages. Question 13 deals with changes in your bank's credit standards for loans in each of these categories over the past three months. Question 14 deals with changes in demand for loans in each of these categories over the same period. If your bank's credit standards have not changed over the relevant period, please report them as unchanged even if the standards are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

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

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

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

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

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	4.2	2	6.9	0	0.0
Remained basically unchanged	44	91.7	26	89.7	18	94.7
Eased somewhat	2	4.2	1	3.4	1	5.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	29	100.0	19	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	21	100.0	16	100.0	5	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	21	100.0	16	100.0	5	100.0

For this question, 27 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.

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	0	0.0	0	0.0	0	0.0
Moderately stronger	15	31.3	11	37.9	4	21.1
About the same	25	52.1	13	44.8	12	63.2
Moderately weaker	8	16.7	5	17.2	3	15.8
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	48	100.0	29	100.0	19	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	5	22.7	4	23.5	1	20.0
About the same	13	59.1	11	64.7	2	40.0
Moderately weaker	4	18.2	2	11.8	2	40.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	22	100.0	17	100.0	5	100.0

For this question, 26 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 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	1	2.0	1	3.3	0	0.0
Remained basically unchanged	47	94.0	27	90.0	20	100.0
Eased somewhat	2	4.0	2	6.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	50	100.0	30	100.0	20	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	2	4.0	1	3.3	1	5.0
About the same	32	64.0	23	76.7	9	45.0
Moderately weaker	15	30.0	6	20.0	9	45.0
Substantially weaker	1	2.0	0	0.0	1	5.0
Total	50	100.0	30	100.0	20	100.0

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

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much more willing	2	4.2	0	0.0	2	10.0
Somewhat more willing	7	14.6	5	17.9	2	10.0
About unchanged	39	81.3	23	82.1	16	80.0
Somewhat less willing	0	0.0	0	0.0	0	0.0
Much less willing	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	35	92.1	21	87.5	14	100.0
Eased somewhat	3	7.9	3	12.5	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	38	100.0	24	100.0	14	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	37	80.4	18	69.2	19	95.0
Eased somewhat	9	19.6	8	30.8	1	5.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	46	100.0	26	100.0	20	100.0

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

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	42	87.5	24	85.7	18	90.0
Eased somewhat	6	12.5	4	14.3	2	10.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	100.0

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

a. Credit limits

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.8	1	4.2	0	0.0
Remained basically unchanged	32	88.9	20	83.3	12	100.0
Eased somewhat	3	8.3	3	12.5	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	36	100.0	24	100.0	12	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.8	1	4.2	0	0.0
Remained basically unchanged	32	88.9	20	83.3	12	100.0
Eased somewhat	3	8.3	3	12.5	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	36	100.0	24	100.0	12	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	5.6	2	8.3	0	0.0
Remained basically unchanged	34	94.4	22	91.7	12	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	36	100.0	24	100.0	12	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.8	1	4.2	0	0.0
Remained basically unchanged	33	91.7	21	87.5	12	100.0
Eased somewhat	2	5.6	2	8.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	36	100.0	24	100.0	12	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.8	0	0.0	1	8.3
Remained basically unchanged	35	97.2	24	100.0	11	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	36	100.0	24	100.0	12	100.0

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

a. Maximum maturity

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	40	87.0	21	80.8	19	95.0
Eased somewhat	6	13.0	5	19.2	1	5.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	46	100.0	26	100.0	20	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	8.7	4	15.4	0	0.0
Remained basically unchanged	30	65.2	14	53.8	16	80.0
Eased somewhat	11	23.9	7	26.9	4	20.0
Eased considerably	1	2.2	1	3.8	0	0.0
Total	46	100.0	26	100.0	20	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	45	97.8	25	96.2	20	100.0
Eased somewhat	1	2.2	1	3.8	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	46	100.0	26	100.0	20	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	42	91.3	23	88.5	19	95.0
Eased somewhat	4	8.7	3	11.5	1	5.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	46	100.0	26	100.0	20	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	45	97.8	25	96.2	20	100.0
Eased somewhat	1	2.2	1	3.8	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	46	100.0	26	100.0	20	100.0

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

a. Maximum maturity

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.1	1	3.6	0	0.0
Remained basically unchanged	46	95.8	26	92.9	20	100.0
Eased somewhat	1	2.1	1	3.6	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	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	5	10.4	5	17.9	0	0.0
Remained basically unchanged	39	81.3	21	75.0	18	90.0
Eased somewhat	4	8.3	2	7.1	2	10.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	47	97.9	27	96.4	20	100.0
Eased somewhat	1	2.1	1	3.6	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.1	1	3.6	0	0.0
Remained basically unchanged	43	89.6	25	89.3	18	90.0
Eased somewhat	4	8.3	2	7.1	2	10.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	45	93.8	25	89.3	20	100.0
Eased somewhat	3	6.3	3	10.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	6	17.1	2	9.1	4	30.8
About the same	26	74.3	18	81.8	8	61.5
Moderately weaker	3	8.6	2	9.1	1	7.7
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	35	100.0	22	100.0	13	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	1	2.2	1	3.8	0	0.0
Moderately stronger	10	21.7	6	23.1	4	20.0
About the same	29	63.0	18	69.2	11	55.0
Moderately weaker	5	10.9	0	0.0	5	25.0
Substantially weaker	1	2.2	1	3.8	0	0.0
Total	46	100.0	26	100.0	20	100.0

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	5	10.4	3	10.7	2	10.0
About the same	35	72.9	22	78.6	13	65.0
Moderately weaker	8	16.7	3	10.7	5	25.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	48	100.0	28	100.0	20	100.0

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1. The sample is selected from among the largest banks in each Federal Reserve District. In the table, large banks are defined as those with total domestic assets of $20 billion or more as of June 30, 2011. The combined assets of the 31 large banks totaled $6.7 trillion, compared to $7.0 trillion for the entire panel of 51 banks, and $10.6 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 October 2011)

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

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	2	9.1
Tightened somewhat	3	13.6
Remained basically unchanged	17	77.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	22	100.0

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

a. Maximum size of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	1	4.5
Tightened somewhat	4	18.2
Remained basically unchanged	15	68.2
Eased somewhat	2	9.1
Eased considerably	0	0.0
Total	22	100.0

b. Maximum maturity of loans or credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	4	18.2
Remained basically unchanged	17	77.3
Eased somewhat	1	4.5
Eased considerably	0	0.0
Total	22	100.0

c. Costs of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	1	4.8
Tightened somewhat	7	33.3
Remained basically unchanged	11	52.4
Eased somewhat	2	9.5
Eased considerably	0	0.0
Total	21	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	1	4.8
Tightened somewhat	8	38.1
Remained basically unchanged	9	42.9
Eased somewhat	3	14.3
Eased considerably	0	0.0
Total	21	100.0

e. Premiums charged on riskier loans

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	14.3
Remained basically unchanged	17	81.0
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	21	100.0

f. Loan covenants

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	9.1
Remained basically unchanged	19	86.4
Eased somewhat	1	4.5
Eased considerably	0	0.0
Total	22	100.0

g. Collateralization requirements

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.5
Remained basically unchanged	21	95.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	22	100.0

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	4	20.0
Remained basically unchanged	15	75.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	20	100.0

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

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

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

	All Respondents	
	Banks	**Percent**
Not important	6	66.7
Somewhat important	3	33.3
Very important	0	0.0
Total	9	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents	
	Banks	**Percent**
Not important	0	0.0
Somewhat important	7	77.8
Very important	2	22.2
Total	9	100.0

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

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

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

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

e. Reduced tolerance for risk

	All Respondents	
	Banks	**Percent**
Not important	4	44.4
Somewhat important	4	44.4
Very important	1	11.1
Total	9	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	4	44.4
Somewhat important	3	33.3
Very important	2	22.2
Total	9	100.0

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

	All Respondents	
	Banks	**Percent**
Not important	4	40.0
Somewhat important	6	60.0
Very important	0	0.0
Total	10	100.0

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

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

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

b. More favorable or less uncertain economic outlook

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

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

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

e. Increased tolerance for risk

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

f. Increased liquidity in the secondary market for these loans

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

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

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

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

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

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

	All Respondents	
	Banks	Percent
Substantially stronger	0	0.0
Moderately stronger	3	13.6
About the same	15	68.2
Moderately weaker	3	13.6
Substantially weaker	1	4.5
Total	22	100.0

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

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

a. Customer inventory financing needs increased

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

b. Customer accounts receivable financing needs increased

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

c. Customer investment in plant or equipment increased

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

d. Customer internally generated funds decreased

	All Respondents	
	Banks	**Percent**
Not important	2	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	2	100.0

e. Customer merger or acquisition financing needs increased

	All Respondents	
	Banks	**Percent**
Not important	1	33.3
Somewhat important	1	33.3
Very important	1	33.3
Total	3	100.0

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

	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

	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 decreased

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

c. Customer investment in plant or equipment decreased

	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 increased

	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 decreased

	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 from your bank to other bank or nonbank credit sources because these other sources became more attractive

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

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

	All Respondents	
	Banks	**Percent**
The number of inquiries has increased substantially	0	0.0
The number of inquiries has increased moderately	7	33.3
The number of inquiries has stayed about the same	11	52.4
The number of inquiries has decreased moderately	3	14.3
The number of inquiries has decreased substantially	0	0.0
Total	21	100.0

Current fiscal and financial strains in Europe may have affected lending conditions for nonfinancial companies that have operations in the United States and significant exposure to European economies, as well as banks headquartered in Europe and their affiliates and subsidiaries. ***Question 7*** *deals with the extent to which your bank lends to the first type of firms.* ***Question 8*** *deals with changes in your bank's lending policies toward both types of firms over the past three months. In addition, developments in Europe may have affected the demand for credit from U.S. banks by these firms.* ***Questions 9-10*** *deal with such changes in demand. Please consider all nonfinancial companies with operations in the United States regardless of the location of their headquarters, and please consider the affiliates and subsidiaries of European banks regardless of the location of those affiliates and subsidiaries.*

7. Of the dollar volume of outstanding C&I loans at your bank, what percent is to nonfinancial companies that have operations in the United States and significant exposure to European economies? (For example, such loans may include loans to operations of European firms that are located in the United States, or loans to domestic firms that conduct a significant part of their business with European firms.)

	All Respondents	
	Banks	**Percent**
Between 0 and 5 percent	9	42.9
Between 5 and 10 percent	3	14.3
Between 10 and 20 percent	3	14.3
Between 20 and 50 percent	4	19.0
50 percent or more	2	9.5
Total	21	100.0

8. Over the past three months, how have your bank's credit standards and terms for approving applications for loans or credit lines—other than those to be used to finance mergers and acquisitions—for the following types of firms changed?

A. Nonfinancial companies that have operations in the United States and significant exposure to European economies (as described in **Question 7**)

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	5	22.7
Remained basically unchanged	17	77.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	22	100.0

B. Banks headquartered in Europe and their affiliates and subsidiaries

	All Respondents	
	Banks	**Percent**
Tightened considerably	1	6.3
Tightened somewhat	8	50.0
Remained basically unchanged	7	43.8
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	16	100.0

For this question, 4 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

9. Over the past three months and apart from normal seasonal variation, how has demand for loans at your bank from the following types of firms changed? (Please consider only funds actually disbursed as opposed to requests for new or increased lines of credit.)

A. Nonfinancial companies with operations in the United States and significant exposures to European economies (as described in **Question 7**)

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	1	4.8
About the same	19	90.5
Moderately weaker	0	0.0
Substantially weaker	1	4.8
Total	21	100.0

B. Banks headquartered in Europe and their affiliates and subsidiaries

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	2	13.3
About the same	13	86.7
Moderately weaker	0	0.0
Substantially weaker	0	0.0
Total	15	100.0

For this question, 4 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

10. Over the past three months, how has the number of inquiries at your bank regarding the availability and terms of new credit lines or increases in existing lines from the following types of firms changed? (Please consider only inquiries for additional or increased lines as opposed to the refinancing of existing loans.)

A. Nonfinancial companies with operations in the United States and significant exposures to European economies (as described in **Question 7**)

	All Respondents	
	Banks	**Percent**
The number of inquiries has increased substantially	0	0.0
The number of inquiries has increased moderately	2	9.5
The number of inquiries has stayed about the same	17	81.0
The number of inquiries has decreased moderately	1	4.8
The number of inquiries has decreased substantially	1	4.8
Total	21	100.0

B. Banks headquartered in Europe and their affiliates and subsidiaries

	All Respondents	
	Banks	**Percent**
The number of inquiries has increased substantially	0	0.0
The number of inquiries has increased moderately	3	20.0
The number of inquiries has stayed about the same	12	80.0
The number of inquiries has decreased moderately	0	0.0
The number of inquiries has decreased substantially	0	0.0
Total	15	100.0

For this question, 4 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

Questions 11-12 *ask about commercial real estate (CRE) loans at your bank, including construction and land development loans and loans secured by nonfarm nonresidential real estate. Question 11 deals with changes in your bank's standards over the past three months. Question 12 deals with changes in demand. If your bank's lending standards or terms have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's standards or terms have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

	All Respondents	
	Banks	**Percent**
Tightened considerably	1	7.1
Tightened somewhat	5	35.7
Remained basically unchanged	8	57.1
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	14	100.0

12. 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	15.4
About the same	8	61.5
Moderately weaker	2	15.4
Substantially weaker	1	7.7
Total	13	100.0

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1. As of June 30, 2011, the 22 respondents had combined assets of $1.1 trillion, compared to $2.1 trillion for all foreign related banking institutions in the United States. The sample is selected from among the largest foreign-related banking institutions in those Federal Reserve Districts where such institutions are common.