RESEARCH & ANALYSIS

Senior Financial Officer Survey Results

September 2026



BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM



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Background

In September 2026, the Federal Reserve conducted a Senior Financial Officer Survey (SFOS) to systematically gather views from a representative sample of banks on their reserve balance management strategies and practices, their expectations around the size of their balance sheets and deposit balances, their activity in money markets, and their views regarding operating on weekends and holidays.[1]

The September SFOS was distributed to senior financial officers at 100 banks, representing a wide range of asset sizes and business models, on September 18, 2026, with replies due by September 28, 2026. This summary includes responses from 91 banks, comprising 56 domestic banks and 35 foreign banking organizations. In aggregate, respondents held around three-fourths of total reserve balances in the banking system at the time of the survey.

Part 1: Questions about Preferred Reserve Levels

(Questions 1–5)

The questions in Part 1 asked respondents about their bank's lowest comfortable level of reserves (LCLOR), which is defined in the survey as the lowest dollar level of reserves that their bank would feel comfortable holding before taking actions to maintain or increase its reserve balances.[2]

- More than one-half of respondents who responded to both this survey and the previous survey in March 2026 reported no change in their bank's LCLOR estimate.[3] Of those reporting a change, respondents were equally split between those with an increase and those with a decrease in their bank's LCLOR compared with the last survey.
- About three-fourths of respondents reported that their bank prefers to hold additional reserves above its LCLOR (hereafter, preferred additional reserves). Among these banks, a majority reported no change in their additional reserves estimate since the previous survey in March 2026.

[1] For the purpose of this summary, the term "banks" is used to encompass all types of depository institutions, including credit unions.

[2] "Taking actions" is defined in the survey as taking active steps to intervene and raise funds to replenish reserves.

[3] The surveys include a combined total of 91 respondents

- When asked about their bank's reserve management strategy over the past few months, over one-half of respondents reported that their bank has taken actions intended to maintain the current amount of its reserves.
- Respondents were asked to identify and rank up to three important factors in determining their bank's preferred reserve level (the LCLOR plus preferred additional reserves), where the most important factor should be the binding constraint—the factor absent which the preferred reserve level would decline. A plurality of respondents ranked satisfying internal liquidity stress metrics (that is, meeting projected outflows under stressed market conditions) as the most important factor. Respondents were then asked how their bank's preferred reserve level would change if the factor they ranked as most important was no longer binding. About 40 percent of respondents stated that their bank's preferred reserve level would not change, and the remainder reported that their bank's preferred reserve level would decrease.
- Respondents to both the February 2020 and the March 2026 surveys whose bank's LCLOR as a share of assets changed more than about 20 percent between the two surveys were asked to rate the importance of potential factors in explaining the change. Among the 43 respondents whose bank's LCLOR increased significantly as a share of assets over this period, the highest rated factor, on average, was satisfying internal liquidity stress metrics.

Part 2: Questions about Balance Sheet Management

(Questions 6–7)

The questions in Part 2 asked respondents about their bank's reserve management under different hypothetical rate scenarios and expectations for its balance sheet over the next year.

- Respondents were asked to provide an approximate forecast for their bank's reserve balances under hypothetical interest rates spreads between the Secured Overnight Financing Rate (SOFR) and the interest on reserve balances (IORB) rate. Almost one-half of respondents reported they would expect their bank's reserves to decline from current levels if the SOFR were 5 basis points higher than the IORB rate on average. At wider spreads between the SOFR and the IORB rate, more respondents reported that their bank's reserves would decline.
- Respondents were asked to estimate the likelihood of potential changes in their bank's total balance sheet size, total deposit levels, and estimated preferred reserves over the next 12 months. Respondents on average assigned the greatest probabilities to scenarios in which the three balance sheet items would remain flat or grow moderately.

Part 3: Questions about Money Market Activity

(Questions 8–12)

The questions in Part 3 asked respondents about their bank's activity in funding markets.[4]

- Forty-five percent of respondents reported that their bank is an active borrower in the federal funds market, and one-half of respondents reported that their bank is an active cash borrower in repurchase agreement (repo) markets.
  - These respondents were asked to rank up to three factors or frictions that may limit their bank's borrowing in each of the markets. For both federal funds borrowing and repo borrowing, price was most commonly cited as the most important limiting factor, with over one-half of the respondents ranking it first.
  - For each market, the respondents who reported that their bank is not an active borrower were asked to rank up to three factors or frictions that affect their bank's decision not to participate as an active borrower. For both the federal funds and repo markets, a preference for alternative overnight funding sources was cited most often as the most important factor.
- Five percent of respondents reported that their bank is an active lender in the federal funds market and 40 percent of respondents reported that their bank is an active cash lender in repo markets.
  - These respondents were asked to rank up to three of the factors/frictions that may limit their bank's lending in the respective markets. For repo lending, three-fourths of respondents ranked price as the most important limiting factor.
  - Respondents who reported that their bank is not an active lender in these markets were asked to rank up to three factors/frictions that affect their bank's decision not to participate as an active lender. Internal risk-management guidelines or approval process was cited most often as the most important factor for not participating as an active federal funds lender, and price was cited most often as the most important factor for not participating as an active repo lender.

Part 4: Questions about Expanded Operating Hours

(Questions 13–17)

The questions in Part 4 asked respondents about their bank's views regarding the financial industry's movement toward operating on weekends and holidays.

- Respondents were asked how the expansion of operating hours has affected their current operations. About two-thirds of respondents reported that their bank has had more

[4] References to "lending in repo" or "cash lender in repo" refer to reverse repurchase agreement activity.

management discussions on this topic, while one-third of respondents reported that their bank is offering or is planning to offer more options for payments and other liquidity management tools on weekends and holidays to its clients.

- Respondents were asked about their bank's views regarding the discount window following the announcement in 2025 that operating hours for the Fedwire® Funds Service (Fedwire Funds) and National Settlement Service (NSS) would expand to include Sundays and weekday holidays.[5] Among domestic banks, nearly two-thirds of respondents reported that it is important that their bank is able to request and receive loans from the discount window during at least some hours or during the same hours on Sundays and weekday holidays as on Mondays through Fridays.
- Respondents were asked if they anticipated temporarily increasing reserves ahead of weekdays and holidays in the context of expanded hours for Fedwire Funds and NSS. A plurality of respondents (roughly 40 percent) expressed uncertainty, while about one-fourth of respondents anticipate their bank temporarily increasing reserves; one-third do not anticipate that their bank will temporarily increase reserves in this context. When asked whether their responses to this question would differ if discount window loans were available on Sundays and weekday holidays, nearly 90 percent said either that their response would not change or that they were unsure.

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[5] The Federal Reserve announced in October 2025 that it would expand the operating days of Fedwire Funds and the NSS to include Sundays and weekday holidays. The Reserve Banks will implement this expansion no earlier than 2028 to ensure operational and industry readiness. See Board of Governors of the Federal Reserve System, "Federal Reserve Board Announces Expanded Operating Days of Two Large-Value Payments Services, Fedwire® Funds Service and the National Settlement Service (NSS), to Include Sundays and Weekday Holidays," press release, October 9, 2025, https://www.federalreserve.gov/newsevents/pressreleases/other20251009a.htm.

Results

The following results include the instructions provided to the survey respondents. Please note that percentages are based on the number of financial institutions that gave responses other than "Not applicable (N/A)." Components may not sum to totals because of rounding.

Part 1: Preferred Reserve Levels

Questions in Part 1 ask about your institution's lowest comfortable level of reserves (LCLOR)—the lowest dollar level of reserve balances your institution would feel comfortable holding before it began taking active steps to maintain or increase its reserve balances. "Active steps" could include, but are not limited to, borrowing in the federal funds market or other wholesale funding markets or bidding more aggressively in those markets, reducing holdings of other liquid assets, or raising deposit rates.

Question 1: Given the constellation of short-term interest rates relative to the interest on reserve balances (IORB) rate over the past month, what is the estimated LCLOR (in millions of dollars) your institution would feel comfortable holding before it "takes active steps" to maintain or increase its reserve balance position?

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
LCLOR $20 billion or more	17	18.7	11	19.6	6	17.1
LCLOR $10 billion to less than $20 billion	19	20.9	8	14.3	11	31.4
LCLOR $5 billion to less than $10 billion	15	16.5	9	16.1	6	17.1
LCLOR $1 billion to less than $5 billion	23	25.3	14	25.0	9	25.7
LCLOR less than $1 billion	17	18.7	14	25.0	3	8.6
Total	91	100.0	56	100.0	35	100.0

Question 2: Given the constellation of short-term interest rates relative to the IORB rate over the past month, if your institution prefers to hold additional reserves above its LCLOR, please provide an estimated amount of preferred additional reserves (in millions of dollars). If your institution does not prefer to hold additional reserves above its LCLOR, please enter "0."

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Additional reserves greater than 100 percent of LCLOR	6	6.6	2	3.6	4	11.4
Additional reserves 76 to 100 percent of LCLOR	10	11.0	4	7.1	6	17.1
Additional reserves 51 to 75 percent of LCLOR	4	4.4	2	3.6	2	5.7
Additional reserves 26 to 50 percent of LCLOR	22	24.2	11	19.6	11	31.4
Additional reserves 11 to 25 percent of LCLOR	17	18.7	11	19.6	6	17.1
Additional reserves 0 to 10 percent of LCLOR	8	8.8	7	12.5	1	2.9
No additional reserves	24	26.4	19	33.9	5	14.3
Total	91	100.0	56	100.0	35	100.0

Question 3: Which statement best characterizes your institution's reserve management strategy over the past few months (select one)?

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
My institution has taken actions intended to decrease, or limit the growth in, the amount of its reserves	15	16.5	10	17.9	5	14.3
My institution has taken actions intended to maintain the current amount of its reserves	52	57.1	36	64.3	16	45.7
My institution has taken actions intended to increase, or limit the decline in, the amount of its reserves	6	6.6	3	5.4	3	8.6
My institution has taken limited or no actions intended to affect the amount of its reserves	18	19.8	7	12.5	11	31.4
Total	91	100.0	56	100.0	35	100.0

Question 4a: Please rank the top three most important factors in determining your bank's preferred reserve level (LCLOR plus preferred additional reserves) on a scale of 1 (most important) to 3 (third most important) from the options listed in the table below.

The factor that you ranked as 1 (most important) should also be the binding constraint of your preferred reserve level, or the factor absent which your preferred reserve level would decline.

	1 (most important)		2		3		Not ranked	
	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks
i. Meeting intraday payments or settlement needs	24	12	13	13	11	9	8	1
ii. Meeting projected outflows over a certain window (more than one business day and under normal market conditions)	6	2	26	15	15	14	9	4
iii. Satisfying internal liquidity stress metrics (meeting projected outflows under stressed market conditions)	21	20	8	7	19	8	8	0
iv. Lack of depth in late-day funding markets	4	1	7	0	9	3	36	31
v. Other (please elaborate)	1	0	2	0	2	1	51	34

Note: 91 respondents provided responses.

Six respondents provided comments. These comments did not have common themes.

Question 4b: Please elaborate on why the factor that you ranked as most important in question 4a is the binding constraint on your preferred reserve level.

Eighty-nine respondents provided substantive comments. Many comments generally reiterated the survey responses. Some respondents specifically identified Internal Liquidity Stress Testing (ILST) as the most important liquidity metric that determines their bank's preferred reserve level, and some reiterated the importance of ensuring their bank maintains sufficient liquidity to meet client payment and settlement needs.

Question 4c: Assuming the factor you ranked as most important in question 4a is no longer binding, how would your preferred reserve level change?

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
0 (no change)	35	38.5	22	39.3	13	37.1
Decrease 1 to 10 percent	22	24.2	12	21.4	10	28.6
Decrease 11 to 20 percent	12	13.2	7	12.5	5	14.3
Decrease 21 to 30 percent	13	14.3	9	16.1	4	11.4
Decrease more than 30 percent	9	9.9	6	10.7	3	8.6
Total	91	100.0	56	100.0	35	100.0

Note: Questions 5a and 5b were shown only to respondents whose log change in their institution's LCLOR-to-assets ratio has increased more than 20 percent since 2020.

Question 5a: Your institution's LCLOR as a share of your assets has increased from February 2020 to March 2026. Please rate the importance of each factor listed below in explaining the increase in your institution's LCLOR over this time period on a scale of 1 (not important) to 5 (very important).

	Average rating		
	All respondents (n = 43)	Domestic (n = 24)	Foreign (n = 19)
i. Meeting intraday payments or settlement needs	3.0	3.3	2.8
ii. Meeting projected outflows over a certain window (more than one business day and under normal market conditions)	2.7	2.9	2.4
iii. Satisfying internal liquidity stress metrics (meeting projected outflows under stressed market conditions)	4.0	4.4	3.6
iv. Lack of depth in late-day funding markets	2.0	2.3	1.7
v. Our institution's interpretation of LCLOR has changed	1.9	1.9	1.8
vi. Other (please elaborate)	1.7	1.7	1.7

Note: n represents the total number of respondents who provided numeric responses.

Eight respondents provided comments. These comments did not have common themes.

Question 5b: Please explain in more detail the factors that you rated 4 or 5.

Forty respondents provided comments. Many comments were in line with or elaborated on the survey responses. Some respondents reported more conservative liquidity risk management at their bank in response to bank funding stress in 2023 and a few mentioned geopolitical events.

Note: Questions 5c and 5d were shown only to respondents whose log change in their institution's LCLOR-to-assets ratio has decreased by more than 20 percent since 2020.

Question 5c: Your institution's LCLOR as a share of your assets has decreased from February 2020 to March 2026. Please rate the importance of each factor listed below in explaining the decrease in your institution's LCLOR over this time period on a scale of 1 (not important) to 5 (very important).

	Average rating		
	All respondents (*n* = 14)	**Domestic** (*n* = 6)	**Foreign** (*n* = 8)
i. Meeting intraday payments or settlement needs	3.1	3.0	3.3
ii. Meeting projected outflows over a certain window (more than one business day and under normal market conditions)	2.9	2.8	3.0
iii. Satisfying internal liquidity stress metrics (meeting projected outflows under stressed market conditions)	3.1	2.5	3.5
iv. Lack of depth in late-day funding markets	1.6	1.8	1.5
v. Our institution's interpretation of LCLOR has changed	1.4	1.0	1.6
vi. Other (please elaborate)	1.7	2.3	1.3

Note: *n* represents the total number of respondents who provided numeric responses.

Three respondents provided comments. These comments did not have common themes.

Question 5d: Please explain in more detail the factors that you rated 4 or 5.

Eleven respondents provided substantive comments. These comments generally elaborated on the survey responses or did not have common themes.

Part 2: Balance Sheet Management

Question 6: For each hypothetical spread (in basis points) between the Secured Overnight Financing Rate (SOFR) and the IORB rate shown in the first column of the following table, please provide an approximate forecast of your institution's reserve balance (in millions of dollars).

Scenario 1: Spread between the SOFR and the IORB rate, on average, is negative 5 basis points (in this scenario the opportunity cost of holding reserves *decreases*).

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Decrease current reserve level	9	9.9	7	12.5	2	5.7
Increase current reserve level by greater than 0 percent, up to 25 percent	16	17.6	7	12.5	9	25.7
Increase current reserve level by greater than 25 percent, up to 50 percent	6	6.6	0	.0	6	17.1
Increase current reserve level by greater than 50 percent	3	3.3	0	.0	3	8.6
No change from current reserve level	57	62.6	42	75.0	15	42.9
Total	91	100.0	56	100.0	35	100.0

Scenario 2: Spread between the SOFR and the IORB rate, on average, is plus 5 basis points.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Increase current reserve level	2	2.2	2	3.6	0	.0
Decrease current reserve level by greater than 0 percent, up to 25 percent	35	38.5	14	25.0	21	60.0
Decrease current reserve level by greater than 25 percent, up to 50 percent	4	4.4	1	1.8	3	8.6
Decrease current reserve level by greater than 50 percent	5	5.5	2	3.6	3	8.6
No change from current reserve level	45	49.5	37	66.1	8	22.9
Total	91	100.0	56	100.0	35	100.0

Scenario 3: Spread between the SOFR and the IORB rate, on average, is plus 10 basis points.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Increase current reserve level	2	2.2	2	3.6	0	.0
Decrease current reserve level by greater than 0 percent, up to 25 percent	33	36.3	18	32.1	15	42.9
Decrease current reserve level by greater than 25 percent, up to 50 percent	9	9.9	2	3.6	7	20.0
Decrease current reserve level by greater than 50 percent	9	9.9	2	3.6	7	20.0
No change from current reserve level	38	41.8	32	57.1	6	17.1
Total	91	100.0	56	100.0	35	100.0

Scenario 4: Spread between the SOFR and the IORB rate, on average, is plus 15 basis points.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Increase current reserve level	2	2.2	2	3.6	0	.0
Decrease current reserve level by greater than 0 percent, up to 25 percent	35	38.5	24	42.9	11	31.4
Decrease current reserve level by greater than 25 percent, up to 50 percent	16	17.6	5	8.9	11	31.4
Decrease current reserve level by greater than 50 percent	11	12.1	2	3.6	9	25.7
No change from current reserve level	27	29.7	23	41.1	4	11.4
Total	91	100.0	56	100.0	35	100.0

Scenario 5: Spread between the SOFR and the IORB rate, on average, is plus 20 basis points.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Increase current reserve level	2	2.2	2	3.6	0	.0
Decrease current reserve level by greater than 0 percent, up to 25 percent	32	35.2	21	37.5	11	31.4
Decrease current reserve level by greater than 25 percent, up to 50 percent	17	18.7	7	12.5	10	28.6
Decrease current reserve level by greater than 50 percent	14	15.4	3	5.4	11	31.4
No change from current reserve level	26	28.6	23	41.1	3	8.6
Total	91	100.0	56	100.0	35	100.0

Question 7: This question asks about your expectations for the potential changes in your institution's total balance sheet size, deposit levels, and estimated preferred reserves over the next 12 months. Please estimate the percentage likelihood (on a scale of 0 to 100 percent) that each of the scenarios occurs in the next 12 months. (The total percentage points must add up to 100.)

1. Over the next 12 months, the size of my institution's balance sheet will:

	Average rating		
	All respondents (n = 91)	Domestic (n = 56)	Foreign (n = 35)
i. Increase more than 5 percent from its current level	33.4	35.8	29.6
ii. Remain flat or increase less than or equal to 5 percent	57.3	55.3	60.4
iii. Decrease from its current level	9.3	8.9	10.0
Note: n represents the total number of respondents who provided numeric responses.			

2. Over the next 12 months, the level of my institution's total deposit levels will:

	Average rating		
	All respondents (n = 91)	Domestic (n = 56)	Foreign (n = 35)
i. Increase more than 5 percent from its current level	36.2	38.4	32.7
ii. Remain flat or increase less than or equal to 5 percent	56.2	55.0	58.1
iii. Decrease from its current level	7.6	6.6	9.1
Note: n represents the total number of respondents who provided numeric responses.			

3. Over the next 12 months, the level of my institution's estimated preferred reserves will:

	Average rating		
	All respondents (n = 91)	Domestic (n = 56)	Foreign (n = 35)
i. Increase more than 20 percent from its current level	3.0	2.8	3.2
ii. Increase between 5 and 20 percent from its current level	15.1	15.1	15.1
iii. Remain within plus 5 and negative 5 percent from its current level	70.0	70.7	68.9
iv. Decrease between 5 and 20 percent from its current level	9.9	9.7	10.1
v. Decrease more than 20 percent from its current level	2.1	1.7	2.7
Note: n represents the total number of respondents who provided numeric responses.			

Part 3: Money Market Activity

Question 8: This question asks about your institution's borrowing and lending activity in wholesale funding markets. For the purpose of this question, consider an "active borrower (lender)" as an institution that borrows (lends) for non-test purposes at least once per month.

1. Is your institution an active borrower in the federal funds market?

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes	41	45.1	20	35.7	21	60.0
No	50	54.9	36	64.3	14	40.0
Total	91	100.0	56	100.0	35	100.0

2. Is your institution an active cash borrower in repurchase agreements (repo)?

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes	46	50.5	25	44.6	21	60.0
No	45	49.5	31	55.4	14	40.0
Total	91	100.0	56	100.0	35	100.0

3. Is your institution an active lender in the federal funds market?

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes	5	5.5	4	7.1	1	2.9
No	86	94.5	52	92.9	34	97.1
Total	91	100.0	56	100.0	35	100.0

4. Is your institution an active cash lender in repo?

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes	36	39.6	16	28.6	20	57.1
No	55	60.4	40	71.4	15	42.9
Total	91	100.0	56	100.0	35	100.0

Note: Questions 9a and 9b were shown only to respondents who answered "Yes" in response to question 8(1).

Question 9a: Please rank up to three of the following factors/frictions that may limit your *borrowing in fed funds.* (Please rank the most important factor as 1.)

	1 (most important)		2		3		Not ranked	
	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks
i. Price	9	13	5	5	3	2	3	1
ii. Limited counterparties	3	1	4	8	4	5	9	7
iii. Regulatory treatment	1	5	4	3	1	2	14	11
iv. Timing mismatch between availability of funds and funding need	3	1	2	2	3	2	12	16
v. Internal risk-management guidelines/approval process	1	0	1	1	3	4	15	16
vi. Preference for alternative overnight funding source	2	0	3	1	4	2	11	18
vii. Other (please elaborate)	1	1	0	0	0	0	19	20

Note: 41 respondents provided responses.

Three respondents provided comments. These comments did not have common themes.

Question 9b: Please use the comment box to explain in more detail the factors/frictions that you ranked.

Thirty-nine respondents provided comments. Most comments were in line with or elaborated on the survey responses. Some respondents noted that Federal Home Loan Banks (FHLBs) were their bank's main or only federal funds lender.

Note: Questions 9c and 9d were shown only to respondents who answered "No" in response to question 8(1).

Question 9c: Please rank up to three of the following factors/frictions that affect your institution's decision not to participate as an active *borrower in fed funds.* (Please rank the most important factor as 1.)

	1 (most important)		2		3		Not ranked	
	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks
i. Price	3	2	6	1	5	1	22	10
ii. Limited counterparties	2	0	4	3	11	0	19	11
iii. Regulatory treatment	8	4	2	2	3	0	23	8
iv. Timing mismatch between availability of funds and funding need	1	0	3	0	0	1	32	13
v. Internal risk-management guidelines/approval process	3	1	3	2	1	4	29	7
vi. Limited to no recent experience operating or high barriers to entry in this market	2	1	5	1	4	1	25	11
vii. Preference for alternative overnight funding source	11	3	7	1	2	1	16	9
viii. Other (please elaborate)	6	3	1	1	0	1	29	9

Note: 50 respondents provided responses.

Eleven respondents provided substantive comments. Several respondents indicated that their bank has no need for overnight funding.

Question 9d: Please use the comment box to explain in more detail the factors/frictions that you ranked.

Forty-eight respondents provided substantive comments. Most comments were in line with or elaborated on the survey responses, with many commenters specifically noting that overnight funding provides little or no benefit under their ILST and other regulatory requirements. Several respondents reported that their bank prefers FHLB advances or secured borrowing (repo) as an alternative to borrowing federal funds.

Note: Questions 10a and 10b were shown only to respondents who answered "Yes" in response to question 8(2).

Question 10a: Please rank up to three of the following factors/frictions that limit your institution's *borrowing in repo.* (Please rank the most important factor as 1.)

	1 (most important)		2		3		Not ranked	
	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks
i. Price	12	14	4	3	0	1	9	3
ii. Limited counterparties	2	1	3	6	3	0	17	14
iii. Regulatory treatment	1	1	4	3	2	6	18	11
iv. Timing mismatch between availability of funds and funding need	2	1	3	1	2	3	18	16
v. Internal risk-management guidelines/approval process	2	1	3	4	5	4	15	12
vi. Preference for alternative overnight funding source	4	1	1	2	1	2	19	16
vii. Other (please elaborate)	2	2	1	0	0	0	22	19

Note: 46 respondents provided responses.

Eight respondents provided substantive comments. Some respondents indicated that their bank maintains adequate liquidity and does not need to borrow in this market.

Question 10b: Please use the comment box to explain in more detail the factors/frictions that you ranked.

Forty-one respondents provided substantive comments. Most comments were in line with or elaborated on the survey responses. Some commenters noted that their bank's repo borrowing is not significantly limited by any of the listed factors.

Note: Questions 10c and 10d were shown only to respondents who answered "No" in response to question 8(2).

Question 10c: Please rank up to three of the following factors/frictions that affect your institution's decision not to participate as an active *borrower in repo.* (Please rank the most important factor as 1.)

	1 (most important)		2		3		Not ranked	
	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks
i. Price	5	3	3	2	6	1	17	8
ii. Limited counterparties	3	1	4	3	3	1	21	9
iii. Regulatory treatment	4	0	0	0	2	0	25	14
iv. Timing mismatch between availability of funds and funding need	2	0	2	0	1	2	26	12
v. Internal risk-management guidelines/approval process	2	5	5	4	1	1	23	4
vi. Limited to no recent experience operating or high barriers to entry in this market	2	4	6	0	6	0	17	10
vii. Preference for alternative overnight funding source	8	1	7	0	4	0	12	13
viii. Other (please elaborate)	5	0	0	1	1	1	25	12

Note: 45 respondents provided responses.

Eleven respondents provided substantive comments. Several respondents indicated that their bank has no need for overnight funding.

Question 10d: Please use the comment box to explain in more detail the factors/frictions that you ranked.

Forty-one respondents provided comments. Most comments were in line with or elaborated on the survey responses, with many noting that their bank does not need short-term liquidity. Several respondents reported that their bank prefers FHLB advances or unsecured borrowing (federal funds) as an alternative to borrowing in repo.

Note: Questions 11a and 11b were shown only to respondents who answered "Yes" in response to question 8(3).

Question 11a: Please rank up to three of the following factors/frictions that limit your institution's *lending in fed funds.* (Please rank the most important factor as 1.)

	1 (most important)		2		3		Not ranked	
	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks
i. Price	2	0	1	0	1	1	0	0
ii. Limited counterparties	0	0	2	1	0	0	2	0
iii. Regulatory treatment	0	1	1	0	0	0	3	0
iv. Timing mismatch between availability of funds and borrower funding need	1	0	0	0	0	0	3	1
v. Internal risk-management guidelines/approval process	1	0	0	0	2	0	1	1
vii. Other (please elaborate)	0	0	0	0	0	0	4	1
Note: 5 respondents provided responses.								

No respondents provided comments.

Question 11b: Please use the comment box to explain in more detail the factors/frictions that you ranked.

Five respondents provided comments. These comments generally elaborated on the survey responses or did not have common themes.

Note: Questions 11c and 11d were shown only to respondents who answered "No" in response to question 8(3).

Question 11c: Please rank up to three of the following factors/frictions that affect your institution's decision not to participate as an active *lender in fed funds.* (Please rank the most important factor as 1.)

	1 (most important)		2		3		Not ranked	
	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks
i. Price	7	8	16	4	8	8	21	14
ii. Limited counterparties	6	5	8	6	9	1	29	22
iii. Regulatory treatment	4	7	3	5	2	0	43	22
iv. Timing mismatch between availability of funds and borrower funding need	3	0	4	1	3	0	42	33
v. Internal risk-management guidelines/approval process	17	8	10	7	6	6	19	13
vi. Limited to no recent experience operating or high barriers to entry in this market	6	2	3	0	9	2	34	30
vii. Other (please elaborate)	9	4	1	0	0	0	42	30
Note: 86 respondents provided responses.								

Thirteen respondents provided substantive comments. Some respondents indicated that their bank does not have excess liquidity to lend.

Question 11d: Please use the comment box to explain in more detail the factors/frictions that you ranked.

Eighty-one respondents provided substantive comments. Many commenters expressed their bank's preference to hold balances in its Federal Reserve account, rather than lend federal funds, in order to earn interest on reserve balances or retain regulatory liquidity. Some indicated that their bank does not have excess liquidity to lend, and several noted that the returns on federal funds lending do not compensate for the associated credit risk.

Note: Questions 12a and 12b were shown only to respondents who answered "Yes" in response to question 8(4).

Question 12a: Please rank up to three of the following factors/frictions that limit your institution's *lending in repo.* (Please rank the most important factor as 1.)

	1 (most important)		2		3		Not ranked	
	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks
i. Price	9	18	3	0	1	1	3	1
ii. Limited counterparties	0	0	0	3	1	1	15	16
iii. Regulatory treatment	1	0	2	3	3	7	10	10
iv. Timing mismatch between availability of funds and borrower funding need	1	0	7	6	0	1	8	13
v. Internal risk-management guidelines/approval process	2	2	1	6	4	2	9	10
vii. Other (please elaborate)	3	0	0	0	1	0	12	20
Note: 36 respondents provided responses.								

Three respondents provided substantive comments. These comments did not have common themes.

Question 12b: Please use the comment box to explain in more detail the factors/frictions that you ranked.

Thirty-three respondents provided substantive comments. Most comments were in line with or elaborated on the survey responses. Some commenters reported that their bank's repo lending is subject to internal limits, and some reported that their bank lends only when it has available excess liquidity.

Note: Questions 12c and 12d were shown only to respondents who answered "No" in response to question 8(4).

Question 12c: Please rank up to three of the following factors/frictions that affect your institution's decision not to participate as an active lender in repo. (Please rank the most important factor as 1.)

	1 (most important)		2		3		Not ranked	
	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks	Domestic Banks	Foreign Banks
i. Price	13	5	8	0	7	1	12	9
ii. Limited counterparties	4	0	4	6	5	1	27	8
iii. Regulatory treatment	1	0	2	1	2	0	35	14
iv. Timing mismatch between availability of funds and borrower funding need	0	0	6	1	1	1	33	13
v. Internal risk-management guidelines/approval process	10	5	7	2	3	3	20	5
vi. Limited to no recent experience operating or high barriers to entry in this market	7	2	5	0	8	2	20	11
vii. Other (please elaborate)	5	3	0	0	2	0	33	12

Note: 55 respondents provided responses.

Nine respondents provided substantive comments. Some respondents indicated that their bank does not have excess liquidity to lend.

Question 12d: Please use the comment box to explain in more detail the factors/frictions that you ranked.

Forty-nine respondents provided substantive comments. Many of the comments were in line with or elaborated on the survey responses. Some commenters indicated that their bank does not have excess liquidity to lend, and others expressed their bank's preference to hold balances in its Federal Reserve account, rather than lend in repo, in order to earn interest on reserve balances without incurring credit risk. Some commenters cited operational burdens in establishing the capability to lend.

Part 4: Expanded Operating Hours

Question 13: Has the financial sector's movement toward operating on weekends and holidays affected your institution's current operations? Please select all actions that apply to your institution.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
More liquidity operations staff are working on weekends and holidays	3	3.3	0	.0	3	8.6
Has increased or plans to increase spending on technology infrastructure to anticipate potential expansion of liquidity operations to weekends and holidays	26	28.6	20	35.7	6	17.1
Is offering or is planning to offer our clients more options for payments and other liquidity management tools on weekends and holidays	30	33.0	25	44.6	5	14.3
More staff resources have been devoted to planning for expansion to weekend and holidays operations	22	24.2	15	26.8	7	20.0
Has had more management discussions on this topic	62	68.1	40	71.4	22	62.9
Other (please elaborate)	29	31.9	16	28.6	13	37.1

Twenty-three respondents provided comments. A large majority of these commenters stated that there were no effects on their bank.

Question 14: Has the financial sector's movement toward operating on weekends and holidays affected the level of your institution's high-quality liquidity assets (HQLA), all else equal? Please indicate the effect for your institution for each asset type on a scale of negative 3 (significant decrease) to plus 3 (significant increase).

	Average rating		
	All respondents (n = 91)	Domestic (n = 56)	Foreign (n = 35)
i. Reserves	.2	.3	.2
ii. Treasury securities	.1	.1	.0
iii. All other HQLA	.1	.1	.0

Note: n represents the total number of respondents who provided numeric responses.

Question 15: In the context of the October 2025 Federal Register notice announcing expanded operating days for the Fedwire Funds Service (Fedwire Funds) and National Settlement Service (NSS) to include Sundays and weekday holidays, which of the following statements best characterizes your institution's views on the ability to request and receive loans from the discount window (select one)? (Note: Under the current Federal Reserve Policy on Payment System Risk, intraday credit is available up to 24 hours a day, seven days a week, including weekends and holidays.)

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
I currently do not have enough information to have a view on the importance of the ability to request and receive loans from the discount window for my institution on Sundays and weekday holidays.	32	35.2	16	28.6	16	45.7
It is important that my institution is able to request and receive loans from the discount window during at least some hours on Sundays and weekday holidays.	12	13.2	11	19.6	1	2.9
It is important that my institution is able to request and receive loans from the discount window on Sundays and weekday holidays during the same hours as it is currently able to on Mondays through Fridays.	29	31.9	24	42.9	5	14.3
It is not important that my institution be able to request and receive loans from the discount window on Sundays and weekday holidays. The current availability of credit from the discount window on Mondays through Fridays (and intraday credit under its existing terms) should be sufficient to meet the liquidity needs of my institution on days that Fedwire Funds operates, including Sundays and weekday holidays.	18	19.8	5	8.9	13	37.1
Total	91	100.0	56	100.0	35	100.0

Question 16a: In the context of expanded operating days for Fedwire Funds and NSS, do you anticipate temporarily increasing reserves ahead of weekends and holidays (select one)?

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes	22	24.2	16	28.6	6	17.1
No	31	34.1	12	21.4	19	54.3
Unsure	38	41.8	28	50.0	10	28.6
Total	91	100.0	56	100.0	35	100.0

Question 16b: Would your response to question 16a differ if discount window loans were available on Sundays and weekday holidays (select one)?

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes	10	11.0	9	16.1	1	2.9
No	47	51.6	24	42.9	23	65.7
Unsure	34	37.4	23	41.1	11	31.4
Total	91	100.0	56	100.0	35	100.0

Question 16c: When Fedwire Funds and NSS expands to Sunday and weekdays, does your institution plan to be operationally ready to trade in the fed funds market on Sundays and weekday holidays (select one)?

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes	8	8.8	7	12.5	1	2.9
No	41	45.1	23	41.1	18	51.4
Unsure	42	46.2	26	46.4	16	45.7
Total	91	100.0	56	100.0	35	100.0

Question 17: Are there any other considerations related to discount window operating days that you would like the Federal Reserve to understand?

Twenty-eight respondents provided substantive comments. While some commenters indicated that it is too soon to provide comments on considerations for potential expanded operating days for the discount window, some others expressed support for aligning discount window operating days and hours with those for other Federal Reserve services. Several commenters provided comments on general discount window issues, including concerns about borrowing stigma.

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