BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DIVISION OF MONETARY AFFAIRS DIVISION OF RESEARCH AND STATISTICS



For release at 2:00 p.m. EDT October 2, 2012

Senior Credit Officer Opinion Survey on Dealer Financing Terms

September 2012

The September 2012 Senior Credit Officer Opinion Survey on Dealer Financing Terms

Summary

The September Senior Credit Officer Opinion Survey on Dealer Financing Terms collected qualitative information on changes over the previous three months in credit terms and conditions in securities financing and over-the-counter (OTC) derivatives markets. In addition to the core set of questions, this survey included a set of special questions about the types of assets posted as collateral against OTC derivatives transactions. The 22 institutions participating in the survey account for almost all of the dealer financing of dollar-denominated securities to nondealers and are the most active intermediaries in OTC derivatives markets. The survey was conducted during the period from August 14, 2012, to August 27, 2012. The core questions ask about changes between June 2012 and August 2012.¹

While responses to the September survey pointed to no significant changes in the credit terms applicable to important classes of counterparties over the past three months, dealers did note a slight easing for some counterparties—including trading real estate investment trusts (REITs) and traditionally unlevered institutional investors such as pension funds, mutual funds, endowments, and insurance companies.² The results of the survey also offered several other broad insights regarding dealer-intermediated provision of credit and leverage:

• Sizable net fractions of respondents indicated that the provision of differential terms to most-favored hedge funds and trading REITs had increased over the past three months. For several types of counterparties, modest net fractions of dealers reported an increase in the intensity of efforts by those counterparties to negotiate more-favorable price and nonprice terms over the same period.

¹ For questions that ask about credit terms, reported net percentages equal the percentage of institutions that reported tightening terms ("tightened considerably" or "tightened somewhat") minus the percentage of institutions that reported easing terms ("eased considerably" or "eased somewhat"). For questions that ask about demand, reported net fractions equal the percentage of institutions that reported increased demand ("increased considerably" or "increased somewhat") minus the percentage of institutions that reported that reported as somewhat") minus the percentage of institutions that reported the percentage of the percentage of institutions that reported the percentage of the per

² Trading REITs invest in assets backed by real estate rather than directly in real estate.

- Dealers reported that the use of financial leverage by all classes of counterparties had remained basically unchanged over the past three months.
- Continuing a pattern observed in previous surveys, large net fractions of respondents indicated an increase in the amount of resources and attention devoted to the management of concentrated exposures to dealers and other financial intermediaries as well as to central counterparties and other financial utilities (CCPs).
- With regard to securities financing, notable fractions of dealers indicated that demand for funding of agency and of non-agency residential mortgage-backed securities (RMBS) had increased over the past three months.
- In contrast to the June survey, nearly two-fifths of survey respondents indicated that liquidity and functioning in the underlying markets for non-agency RMBS and commercial mortgage-backed securities (CMBS) had improved somewhat over the past three months.
- In response to the special questions on the types of assets posted as initial margin against OTC derivatives transactions, dealers reported that cash accounted for the vast majority of collateral currently posted both by their clients and by the dealers themselves to CCPs. Dealers also indicated that they expect an increase in the share of client postings accounted for by U.S. Treasury securities over the next year; with regard to their postings to CCPs, respondents anticipate an increase in the share of U.S. government securities other than U.S. Treasury securities as well as in the share of corporate bonds over the next year.

Counterparty Types (*Questions 1–40*)

Dealers and other financial intermediaries. In the September survey, about one-third of respondents indicated that they had increased the amount of resources and attention devoted to management of concentrated exposures to dealers and other financial intermediaries over the past three months. (See the chart "Management of Concentrated Credit Exposures and Indicators of Supply of Credit.") In the June survey, about one-half of respondents had reported such an increase.

Central counterparties and other financial utilities. Nearly two-thirds of dealers indicated that they had increased the amount of resources and attention devoted to management of concentrated credit exposure to CCPs over the past three months, roughly the same share as in the previous survey. Of note, about one-fourth of respondents indicated that changes in the practices of central counterparties, including changes in

margin requirements and haircuts, had influenced to more than a minimal extent the credit terms the dealers applied to clients on bilateral transactions that are not cleared.

Hedge funds. Respondents to the September survey indicated that both price terms (such as financing rates) and nonprice terms (including haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) offered to hedge funds for securities financing and OTC derivatives transactions had remained basically unchanged over the past three months. About one-fourth of dealers noted that there had been an increase in the intensity of efforts by hedge funds to negotiate more-favorable price and nonprice terms over the same period—the same fraction as in the June survey. Nearly all of the dealers indicated that the use of financial leverage by hedge funds had remained basically unchanged over the past three months, a different pattern of responses from surveys earlier in the year when modest net fractions of respondents had pointed to a reduction in financial leverage. (See the chart "Use of Financial Leverage.") Respondents also noted that there had been little change, on net, in the availability of additional financial leverage under agreements currently in place with hedge funds, which gives those funds the ability to rapidly increase their use of leverage should they choose to do so. About one-fourth of dealers reported that the provision of differential terms to most-favored (as a function of breadth, duration, and extent of relationship) hedge funds had increased over the past three months.

Trading real estate investment trusts. About one-fifth of dealers indicated in the September survey that they had eased nonprice terms offered to trading REITs over the past three months, while price terms had remained basically unchanged. Moreaggressive competition from other institutions was the most important reason cited for doing so. Respondents indicated that use of financial leverage by trading REITs was little changed, on balance, over the same period. About one-fifth of dealers noted an increase in the intensity of efforts by trading REITs to negotiate more-favorable price and nonprice terms over the past three months, and two-fifths of respondents reported an increase in the provision of differential terms to most-favored clients.

Mutual funds, exchange-traded funds, pension plans, and endowments. A few dealers indicated that they had eased nonprice terms offered to mutual funds, exchange-traded funds (ETFs), pension plans, and endowments over the past three months, while price terms were said to have remained basically unchanged. About one-fifth of dealers noted an increase in the intensity of efforts by clients in this category to negotiate more-favorable price and nonprice terms over the same period. Respondents to the September survey reported that use of financial leverage by mutual funds, ETFs, pension plans, and endowments was basically unchanged over the past three months.

Insurance companies. While a few survey respondents indicated that they had eased price and nonprice terms to insurance companies over the past three months, the vast majority of dealers noted that credit terms had remained basically unchanged. Nearly one-third of firms reported an increase in the intensity of efforts by insurance companies

to negotiate more-favorable price and nonprice terms. The use of financial leverage by insurance companies was also said to have remained basically unchanged.

Separately managed accounts established with investment advisers. Nearly all of the dealers reported that price and nonprice terms negotiated by investment advisers on behalf of separately managed accounts were basically unchanged over the past three months. Efforts by investment advisers to negotiate more-favorable price and nonprice terms on behalf of separately managed accounts and the use of financial leverage by these clients were also reported to be little changed.

Nonfinancial corporations. A few dealers reported that they had eased price and nonprice terms offered to nonfinancial corporations over the past three months. Only a very small net fraction of respondents indicated that there had been an increase in the intensity of efforts by these clients to negotiate more-favorable price and nonprice terms over the past three months.

Mark and collateral disputes. As in the previous survey, most respondents reported that the volume, persistence, and duration of mark and collateral disputes with each counterparty type included in the survey were little changed over the past three months.

Over-the-Counter Derivatives

(Questions 41–51)

As in previous surveys, dealers indicated that nonprice terms incorporated in new or renegotiated OTC derivatives master agreements were broadly unchanged, on net, over the past three months.³ A few respondents, on net, reported that they had tightened somewhat requirements, timelines, and thresholds for posting additional margin, and a few, on balance, noted that they had eased somewhat other documentation features including cure periods and cross-default provisions. Nearly all of the dealers indicated that initial margins (which fall outside the scope of master agreements) on contracts referencing most underlying collateral types were little changed over the past three months. About one-fifth of respondents noted that the posting of nonstandard collateral (that is, other than cash and U.S. Treasury securities) had increased somewhat over the same period.

For most contract types included in the survey, almost all of the dealers indicated that the volume, duration, and persistence of mark and collateral disputes had remained basically unchanged over the past three months. However, a few dealers reported that the volume of mark and collateral disputes had increased for contracts referencing foreign

³ The survey asks specifically about requirements for posting additional margin, acceptable collateral, recognition of portfolio or diversification benefits, triggers and covenants, and other documentation features, including cure periods and cross-default provisions.

exchange and commodities and decreased for contracts referencing equities and corporate credit instruments.

Securities Financing

(Questions $52-79)^4$

As in the June survey, dealers reported that the credit terms under which most types of securities included in the survey are financed were little changed on balance. The only notable exceptions were agency and non-agency RMBS, for which a few respondents, on net, indicated that they had increased the maximum amount of funding available and extended the maximum maturity for their most-favored clients.

Dealers noted that, on balance, demand for funding of RMBS had increased over the past three months. (See the chart "Measures of Demand for Funding and Market Functioning.") About two-fifths of respondents reported an increase in demand for funding of non-agency RMBS, with many dealers noting that demand for term funding of such securities—funding with a maturity greater than 30 days—had also increased. Meanwhile, about one-fourth of dealers reported that demand for funding of agency RMBS had also increased, with the same share pointing to somewhat stronger demand for term funding. In contrast, demand for funding of corporate bonds, equities, CMBS, and asset-backed securities was said to have been generally little changed on balance.

Nearly two-fifths of respondents indicated that the liquidity and functioning of the underlying markets for non-agency RMBS and CMBS had improved somewhat during the previous three months.⁵ For other collateral types covered in the survey, liquidity and functioning of the underlying markets were generally characterized as little changed on net. As in the previous survey, nearly all of the respondents reported that the volume, duration, and persistence of market and collateral disputes were basically unchanged for all of the collateral types.

Special Questions on the Types of Assets Posted as Collateral against Overthe-Counter Derivatives Transactions

(Questions 81–85)

As the increased clearance, through central counterparties and other financial market utilities, of OTC derivatives trades may lead to changes in the collateralization of such

⁴ Question 80, not discussed here, was optional and allowed respondents to provide additional comments.

⁵ Note that survey respondents are instructed to report changes in liquidity and functioning in the market for the underlying collateral to be funded through repurchase agreements and similar secured financing transactions, not changes in the funding market itself. This question is not asked with respect to equity markets in the core questions.

transactions, the September survey included a set of special questions about the types of assets currently posted as initial margin. In particular, dealers were asked about the types of assets currently posted as collateral by their clients and the types of assets the dealers themselves currently post as collateral to CCPs. In addition, respondents were also queried about their expectations for changes over the next year in the types of collateral posted both by clients to dealers and by dealers to CCPs.

With respect to collateral currently posted by dealers' clients as initial margin against OTC derivatives transactions, all but two respondents active in this market indicated that cash currently accounts for at least 60 percent of the collateral posted, with nearly one-half of dealers noting that the share of cash was greater than 80 percent. U.S. Treasury securities were of more modest importance, with about two-thirds of dealers reporting that both U.S. Treasury bills and longer-maturity U.S Treasury notes and bonds constituted less than 10 percent of the collateral posted by their clients. About one-fourth of dealers indicated that U.S. Treasury bills and U.S. Treasury notes and bonds each represented between 10 and 20 percent of the collateral posted, and only a few firms pointed to a higher share. Respondents also generally indicated that other U.S. government securities, corporate bonds, and equities each typically amounted to less than 10 percent of initial margin collateral posted by clients to dealers; a number of dealers indicated that they do not accept these types of securities.

The collateral posted by dealers to CCPs as initial margin for OTC derivatives transactions also consisted predominantly of cash, but the use of U.S. government securities was somewhat more common relative to the clients' postings. Nearly two-thirds of dealers indicated that cash accounted for at least 60 percent of the collateral they currently post as initial margin, with nearly one-half noting that the share of cash was greater than 80 percent. The responses of the other firms were fairly equally distributed, with one-fifth of respondents reporting a share of cash collateral of less than 20 percent. As it was the case with clients' postings, about two-thirds of respondents noted that U.S. Treasury bills and longer-maturity U.S Treasury notes and bonds constituted less than 10 percent of the collateral they currently post to CCPs; however, a few respondents reported that U.S. Treasury securities accounted for a share between 40 and 60 percent. Respondents also generally indicated that U.S. government securities other than Treasury securities, corporate bonds, or equities, when contractually accepted, were less than 10 percent of collateral.

About one-half of dealers anticipated that, over the next year, the fraction of collateral posted by their clients that consists of cash will remain basically unchanged, with the rest of the respondents equally split between expectations of an increase and expectations of a decrease. By contrast, nearly one-half of respondents, on net, indicated that they expected an increase in the shares of collateral posted by their clients accounted for by U.S. Treasury bills and U.S. Treasury notes and bonds. About one-fourth of dealers, on net, also anticipated an increase in the share of collateral posting that consists of U.S. government securities other than U.S. Treasury securities. Respondents did not,

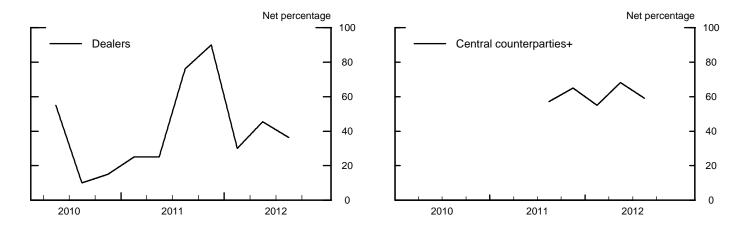
on net, expect much change in the shares of collateral consisting of corporate bonds or of equities.

A moderate net fraction of respondents expected that, over the next year, there will be a decrease in the share of collateral that they post to CCPs as initial margin against OTC derivatives that is accounted for by cash. In contrast to their expectations regarding changes to their clients' collateral postings, dealers, on balance, did not anticipate much variation in the share of collateral they post to CCPs that is accounted for by U.S. Treasury bills and U.S. Treasury notes and bonds. Instead, a net fraction of about one-third of respondents anticipated that the share of collateral consisting of U.S. government securities other than U.S. Treasury securities would increase somewhat, while about one-fifth of dealers, on balance, expected an increase in the share of corporate bonds. Dealers again did not expect much change, on net, in the use of equities as collateral.

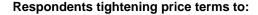
The last question asked about changes over the past year in the range of clients posting initial margin against OTC derivatives transactions in light of evolution in regulatory requirements and market conventions. The fraction of clients posting initial margin within each client category included in the survey (hedge funds, mutual funds, pension plans, insurance companies, other financial institutions, and nonfinancial corporations) was reported to have been basically unchanged over the past year.

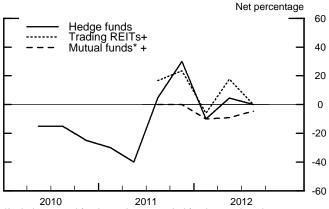
This document was prepared by Mark Carlson, Division of Monetary Affairs, Board of Governors of the Federal Reserve System. Assistance in developing and administering the survey was provided by staff members in the Statistics Function and the Markets Group at the Federal Reserve Bank of New York.

Management of Concentrated Credit Exposures and Indicators of Supply of Credit

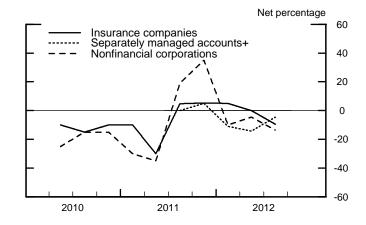


Respondents increasing resources and attention to management of concentrated exposures to:

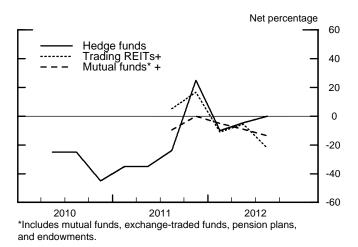


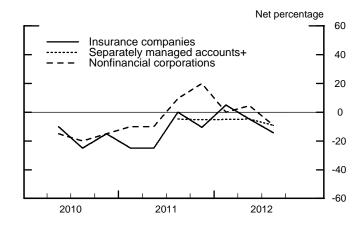


*Includes mutual funds, exchange-traded funds, pension plans, and endowments.



Respondents tightening nonprice terms to:

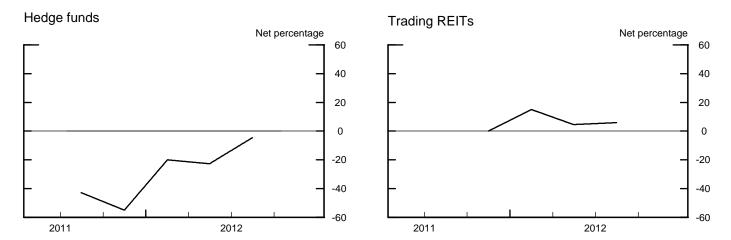




+ Note: This question was added in the September 2011 survey.

Use of Financial Leverage

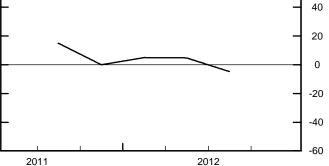
Respondents reporting increased use of leverage by:



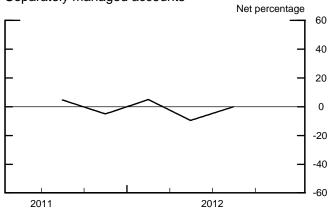
60

Net percentage

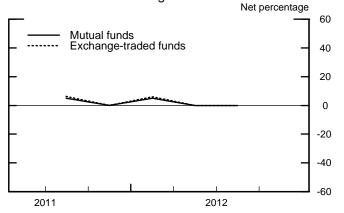
Insurance companies



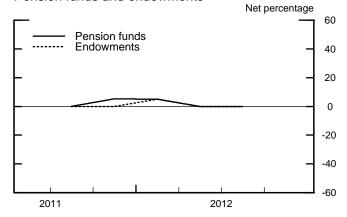
Separately managed accounts



Mutual funds and exchange-traded funds

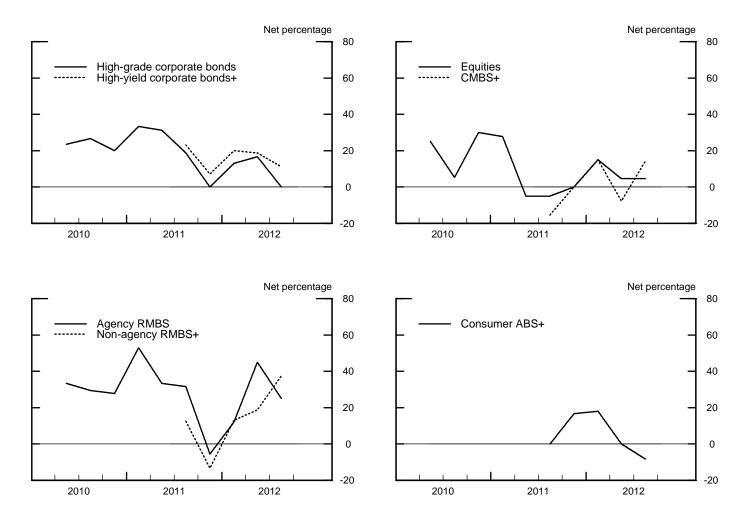


Pension funds and endowments



Note: This question was added in the September 2011 survey.

Measures of Demand for Funding and Market Functioning



Respondents reporting increased demand for funding of:

Respondents reporting an improvement in liquidity and functioning in the underlying markets for:

80

60

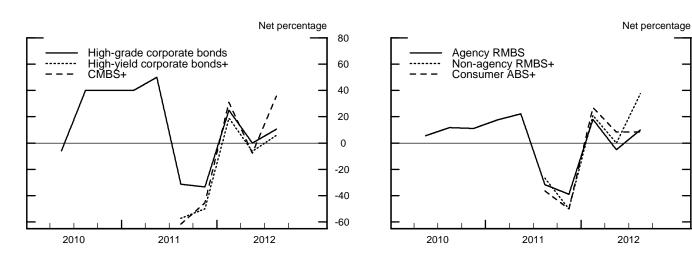
40

20 0

-20

-40

-60



10

+ Note: This question was added in the September 2011 survey.

Results of the September 2012 Senior Credit Officer Opinion Survey on Dealer Financing Terms

The following results include the original 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." Components may not add to totals due to rounding.

Counterparty Types

Questions 1 through 40 ask about credit terms applicable to, and mark and collateral disputes with, different counterparty types, considering the entire range of securities financing and over-the-counter (OTC) derivatives transactions. Question 1 focuses on dealers and other financial intermediaries as counterparties; questions 2 and 3 on central counterparties and other financial utilities; questions 4 through 10 focus on hedge funds; questions 11 through 16 on trading real estate investment trusts (REITs); questions 17 through 22 on mutual funds, exchange-traded funds (ETFs), pension plans, and endowments; questions 23 through 28 on insurance companies; questions 29 through 34 on separately managed accounts established with investment advisers; and questions 35 through 38 on nonfinancial corporations. Questions 39 and 40 ask about mark and collateral disputes for each of the aforementioned counterparty types.

In some questions, the survey differentiates between the compensation demanded for bearing credit risk (price terms) and the contractual provisions used to mitigate exposures (nonprice terms). If your institution's terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space. Where material differences exist across different business areas—for example, between traditional prime brokerage and OTC derivatives—please answer with regard to the business area generating the most exposure and explain in the appropriate comment space.

Dealers and Other Financial Intermediaries

1. Over the past three months, how has the amount of resources and attention your firm devotes to management of concentrated credit exposure to dealers and other financial intermediaries (such as large banking institutions) changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 2 | 9.1 |
| Increased somewhat | 6 | 27.3 |
| Remained basically unchanged | 14 | 63.6 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

Central Counterparties and Other Financial Utilities

2. Over the past three months, how has the amount of resources and attention your firm devotes to management of concentrated credit exposure to central counterparties and other financial utilities changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 2 | 9.1 |
| Increased somewhat | 11 | 50.0 |
| Remained basically unchanged | 9 | 40.9 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

3. To what extent have changes in the practices of central counterparties, including margin requirements and haircuts, influenced the credit terms your institution applies to clients on bilateral transactions which are not cleared?

| | Number of Respondents | Percent |
|--------------------------|--------------------------|---------|
| To a considerable extent | 1 | 4.5 |
| To some extent | 5 | 22.7 |
| To a minimal extent | 11 | 50.0 |
| Not at all | 5 | 22.7 |
| Total | 22 | 100.0 |

Hedge Funds

4. Over the past three months, how have the price terms (for example, financing rates) offered to hedge funds as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 2 | 9.1 |
| Remained basically unchanged | 18 | 81.8 |
| Eased somewhat | 2 | 9.1 |
| Eased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

5. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to hedge funds across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 4.5 |
| Remained basically unchanged | 20 | 90.9 |
| Eased somewhat | 1 | 4.5 |
| Eased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

- 6. To the extent that the price or nonprice terms applied to hedge funds have tightened or eased over the past three months (as reflected in your responses to questions 4 and 5), what are the most important reasons for the change?
 - A. Possible reasons for tightening
 - 1) Deterioration in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

2) Reduced willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 1 | 100.0 |
| Third in importance | 0 | 0.0 |
| Total | 1 | 100.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

4) Higher internal treasury charges for funding

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

5) Diminished availability of balance sheet or capital at your institution

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 1 | 100.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 1 | 100.0 |

6) Worsening in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 1 | 50.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 1 | 50.0 |
| Total | 2 | 100.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

7) Less-aggressive competition from other institutions

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

2) Increased willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 1 | 100.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 1 | 100.0 |

4) Lower internal treasury charges for funding

5) Increased availability of balance sheet or capital at your institution

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

6) Improvement in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

7) More-aggressive competition from other institutions

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 1 | 50.0 |
| Second in importance | 1 | 50.0 |
| Third in importance | 0 | 0.0 |
| Total | 2 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 6 | 27.3 |
| Remained basically unchanged | 16 | 72.7 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

7. How has the intensity of efforts by hedge funds to negotiate more-favorable price and nonprice terms changed over the past three months?

8. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by hedge funds changed over the past three months?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 4.5 |
| Remained basically unchanged | 19 | 86.4 |
| Decreased somewhat | 2 | 9.1 |
| Decreased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

9. Considering the entire range of transactions facilitated by your institution for such clients, how has the availability of additional (and currently unutilized) financial leverage under agreements currently in place with hedge funds (for example, under prime broker, warehouse agreements, and other committed but undrawn or partly drawn facilities) changed over the past three months?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 2 | 9.1 |
| Remained basically unchanged | 19 | 86.4 |
| Decreased somewhat | 1 | 4.5 |
| Decreased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 5 | 22.7 |
| Remained basically unchanged | 17 | 77.3 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

10. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) hedge funds changed over the past three months?

Trading Real Estate Investment Trusts

11. Over the past three months, how have the price terms (for example, financing rates) offered to trading REITs as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 17 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

12. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to trading REITs across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 14 | 77.8 |
| Eased somewhat | 4 | 22.2 |
| Eased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

- 13. To the extent that the price or nonprice terms applied to trading REITs have tightened or eased over the past three months (as reflected in your responses to questions 11 and 12), what are the most important reasons for the change?
 - A. Possible reasons for tightening
 - 1) Deterioration in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

2) Reduced willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

4) Higher internal treasury charges for funding

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

5) Diminished availability of balance sheet or capital at your institution

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

6) Worsening in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

7) Less-aggressive competition from other institutions

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

2) Increased willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 1 | 100.0 |
| Third in importance | 0 | 0.0 |
| Total | 1 | 100.0 |

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 1 | 100.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 1 | 100.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

4) Lower internal treasury charges for funding

5) Increased availability of balance sheet or capital at your institution

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

6) Improvement in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

7) More-aggressive competition from other institutions

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 2 | 100.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 2 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 4 | 22.2 |
| Remained basically unchanged | 14 | 77.8 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

14. How has the intensity of efforts by trading REITs to negotiate more-favorable price and nonprice terms changed over the past three months?

15. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by trading REITs changed over the past three months?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 2 | 11.8 |
| Remained basically unchanged | 14 | 82.4 |
| Decreased somewhat | 1 | 5.9 |
| Decreased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

16. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) trading REITs changed over the past three months?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 7 | 41.2 |
| Remained basically unchanged | 10 | 58.8 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

Mutual Funds, Exchange-Traded Funds, Pension Plans, and Endowments

17. Over the past three months, how have the price terms (for example, financing rates) offered to mutual funds, ETFs, pension plans, and endowments as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 21 | 95.5 |
| Eased somewhat | 1 | 4.5 |
| Eased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

18. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to mutual funds, ETFs, pension plans, and endowments across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 86.4 |
| Eased somewhat | 3 | 13.6 |
| Eased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

- 19. To the extent that the price or nonprice terms applied to mutual funds, ETFs, pension plans, and endowments have tightened or eased over the past three months (as reflected in your responses to questions 16 and 17), what are the most important reasons for the change?
 - A. Possible reasons for tightening
 - 1) Deterioration in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

2) Reduced willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

4) Higher internal treasury charges for funding

5) Diminished availability of balance sheet or capital at your institution

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

6) Worsening in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

7) Less-aggressive competition from other institutions

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 1 | 100.0 |
| Third in importance | 0 | 0.0 |
| Total | 1 | 100.0 |

2) Increased willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 1 | 100.0 |
| Total | 1 | 100.0 |

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

4) Lower internal treasury charges for funding

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

5) Increased availability of balance sheet or capital at your institution

6) Improvement in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

7) More-aggressive competition from other institutions

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 3 | 100.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 3 | 100.0 |

20. How has the intensity of efforts by mutual funds, ETFs, pension plans, and endowments to negotiate more-favorable price and nonprice terms changed over the past three months?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 4 | 18.2 |
| Remained basically unchanged | 18 | 81.8 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

- 21. Considering the entire range of transactions facilitated by your institution, how has the use of financial leverage by each of the following types of clients changed over the past three months?
 - A. Mutual funds

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 21 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

B. ETFs

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 21 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

C. Pension plans

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 21 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

D. Endowments

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 21 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

22. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) mutual funds, ETFs, pension plans, and endowments changed over the past three months?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 2 | 9.5 |
| Remained basically unchanged | 19 | 90.5 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

Insurance Companies

23. Over the past three months, how have the price terms (for example, financing rates) offered to insurance companies as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 90.5 |
| Eased somewhat | 2 | 9.5 |
| Eased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

24. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to insurance companies across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 18 | 85.7 |
| Eased somewhat | 3 | 14.3 |
| Eased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

- 25. To the extent that the price or nonprice terms applied to insurance companies have tightened or eased over the past three months (as reflected in your responses to questions 22 and 23), what are the most important reasons for the change?
 - A. Possible reasons for tightening
 - 1) Deterioration in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

2) Reduced willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

4) Higher internal treasury charges for funding

5) Diminished availability of balance sheet or capital at your institution

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

6) Worsening in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

7) Less-aggressive competition from other institutions

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 1 | 100.0 |
| Total | 1 | 100.0 |

2) Increased willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

| | Number of | |
|----------------------|-------------|---------|
| | Respondents | Percent |
| First in importance | 1 | 100.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 1 | 100.0 |

4) Lower internal treasury charges for funding

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

5) Increased availability of balance sheet or capital at your institution

6) Improvement in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 2 | 100.0 |
| Third in importance | 0 | 0.0 |
| Total | 2 | 100.0 |

7) More-aggressive competition from other institutions

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 2 | 100.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 2 | 100.0 |

26. How has the intensity of efforts by insurance companies to negotiate more-favorable price and nonprice terms changed over the past three months?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 6 | 28.6 |
| Remained basically unchanged | 15 | 71.4 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 20 | 95.2 |
| Decreased somewhat | 1 | 4.8 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

27. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by insurance companies changed over the past three months?

28. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) insurance companies changed over the past three months?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 2 | 9.5 |
| Remained basically unchanged | 19 | 90.5 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

Separately Managed Accounts Established with Investment Advisers

29. Over the past three months, how have the price terms (for example, financing rates) offered to separately managed accounts established with investment advisers as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 21 | 95.5 |
| Eased somewhat | 1 | 4.5 |
| Eased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

30. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to separately managed accounts established with investment advisers across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

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

- 31. To the extent that the price or nonprice terms applied to separately managed accounts established with investment advisers have tightened or eased over the past three months (as reflected in your responses to questions 28 and 29), what are the most important reasons for the change?
 - A. Possible reasons for tightening
 - 1) Deterioration in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

2) Reduced willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

4) Higher internal treasury charges for funding

5) Diminished availability of balance sheet or capital at your institution

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

6) Worsening in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

7) Less-aggressive competition from other institutions

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

2) Increased willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

4) Lower internal treasury charges for funding

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

5) Increased availability of balance sheet or capital at your institution

6) Improvement in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

7) More-aggressive competition from other institutions

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 2 | 100.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 2 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 2 | 9.5 |
| Remained basically unchanged | 19 | 90.5 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

32. How has the intensity of efforts by investment advisers to negotiate more-favorable price and nonprice terms on behalf of separately managed accounts changed over the past three months?

33. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by separately managed accounts established with investment advisers changed over the past three months?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 21 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

34. How has the provision of differential terms by your institution to separately managed accounts established with most-favored (as a function of breadth, duration, and extent of relationship) investment advisers changed over the past three months?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 4.8 |
| Remained basically unchanged | 20 | 95.2 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

Nonfinancial Corporations

35. Over the past three months, how have the price terms (for example, financing rates) offered to nonfinancial corporations as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 86.4 |
| Eased somewhat | 3 | 13.6 |
| Eased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

36. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to nonfinancial corporations across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)

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

- 37. To the extent that the price or nonprice terms applied to nonfinancial corporations have tightened or eased over the past three months (as reflected in your responses to questions 34 and 35), what are the most important reasons for the change?
 - A. Possible reasons for tightening
 - 1) Deterioration in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

2) Reduced willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

4) Higher internal treasury charges for funding

5) Diminished availability of balance sheet or capital at your institution

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

6) Worsening in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

7) Less-aggressive competition from other institutions

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 1 | 50.0 |
| Second in importance | 1 | 50.0 |
| Third in importance | 0 | 0.0 |
| Total | 2 | 100.0 |

2) Increased willingness of your institution to take on risk

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

| | Number of | Doncon4 |
|----------------------|-------------|---------|
| | Respondents | Percent |
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

4) Lower internal treasury charges for funding

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 0 | 0.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 0 | 0.0 |

5) Increased availability of balance sheet or capital at your institution

6) Improvement in general market liquidity and functioning

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 1 | 50.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 1 | 50.0 |
| Total | 2 | 100.0 |

7) More-aggressive competition from other institutions

| | Number of Respondents | Percent |
|----------------------|--------------------------|---------|
| First in importance | 1 | 100.0 |
| Second in importance | 0 | 0.0 |
| Third in importance | 0 | 0.0 |
| Total | 1 | 100.0 |

38. How has the intensity of efforts by nonfinancial corporations to negotiate more-favorable price and nonprice terms changed over the past three months?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 4 | 18.2 |
| Remained basically unchanged | 16 | 72.7 |
| Decreased somewhat | 2 | 9.1 |
| Decreased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

Mark and Collateral Disputes

- 39. Over the past three months, how has the volume of mark and collateral disputes with clients of each of the following types changed?
 - A. Dealers and other financial intermediaries

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 1 | 4.5 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 86.4 |
| Decreased somewhat | 1 | 4.5 |
| Decreased considerably | 1 | 4.5 |
| Total | 22 | 100.0 |

B. Hedge funds

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 4.5 |
| Remained basically unchanged | 20 | 90.9 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 1 | 4.5 |
| Total | 22 | 100.0 |

C. Trading REITs

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 17 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 5.0 |
| Remained basically unchanged | 17 | 85.0 |
| Decreased somewhat | 1 | 5.0 |
| Decreased considerably | 1 | 5.0 |
| Total | 20 | 100.0 |

D. Mutual funds, ETFs, pension plans, and endowments

E. Insurance companies

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 4.8 |
| Remained basically unchanged | 19 | 90.5 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 1 | 4.8 |
| Total | 21 | 100.0 |

F. Separately managed accounts established with investment advisers

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

G. Nonfinancial corporations

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 18 | 90.0 |
| Decreased somewhat | 1 | 5.0 |
| Decreased considerably | 1 | 5.0 |
| Total | 20 | 100.0 |

- 40. Over the past three months, how has the duration and persistence of mark and collateral disputes with clients of each of the following types changed?
 - A. Dealers and other financial intermediaries

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 4.5 |
| Remained basically unchanged | 19 | 86.4 |
| Decreased somewhat | 1 | 4.5 |
| Decreased considerably | 1 | 4.5 |
| Total | 22 | 100.0 |

B. Hedge funds

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 20 | 90.9 |
| Decreased somewhat | 2 | 9.1 |
| Decreased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

C. Trading REITs

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 17 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

D. Mutual funds, ETFs, pension plans, and endowments

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 18 | 90.0 |
| Decreased somewhat | 2 | 10.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

E. Insurance companies

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 4.8 |
| Remained basically unchanged | 19 | 90.5 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 1 | 4.8 |
| Total | 21 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 18 | 94.7 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 1 | 5.3 |
| Total | 19 | 100.0 |

F. Separately managed accounts established with investment advisers

G. Nonfinancial corporations

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 2 | 10.0 |
| Remained basically unchanged | 18 | 90.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

Over-the-Counter Derivatives

Questions 41 through 51 ask about OTC derivatives trades. Question 41 focuses on nonprice terms applicable to new and renegotiated master agreements. Questions 42 through 48 ask about the initial margin requirements for most-favored and average clients applicable to different types of contracts: Question 42 focuses on foreign exchange (FX); question 43 on interest rates; question 44 on equity; question 45 on contracts referencing corporate credits (single-name and indexes); question 46 on credit derivatives referencing structured products such as mortgage-backed securities (MBS) and asset-backed securities (ABS) (specific tranches and indexes); question 47 on commodities; and question 48 on total return swaps (TRS) referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans). Question 49 asks about posting of nonstandard collateral pursuant to OTC derivative contracts. Questions 50 and 51 focus on mark and collateral disputes involving contracts of each of the aforementioned types.

If your institution's terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space.

New and Renegotiated Master Agreements

41. Over the past three months, how have nonprice terms incorporated in new or renegotiated OTC derivatives master agreements put in place with your institution's clients changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 3 | 14.3 |
| Remained basically unchanged | 18 | 85.7 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

A. Requirements, timelines, and thresholds for posting additional margin

B. Acceptable collateral

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 2 | 9.5 |
| Remained basically unchanged | 17 | 81.0 |
| Eased somewhat | 2 | 9.5 |
| Eased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

C. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate agreements are in place)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 5.0 |
| Remained basically unchanged | 19 | 95.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

D. Triggers and covenants

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 2 | 9.5 |
| Remained basically unchanged | 16 | 76.2 |
| Eased somewhat | 3 | 14.3 |
| Eased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 4.8 |
| Remained basically unchanged | 17 | 81.0 |
| Eased somewhat | 3 | 14.3 |
| Eased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

E. Other documentation features (including cure periods and cross-default provisions)

Initial Margin

- 42. Over the past three months, how have initial margin requirements set by your institution with respect to OTC FX derivatives changed?
 - A. Initial margin requirements for average clients

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 4.8 |
| Remained basically unchanged | 19 | 90.5 |
| Decreased somewhat | 1 | 4.8 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 4.8 |
| Remained basically unchanged | 18 | 85.7 |
| Decreased somewhat | 2 | 9.5 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

- 43. Over the past three months, how have initial margin requirements set by your institution with respect to OTC interest rate derivatives changed?
 - A. Initial margin requirements for average clients

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 5.0 |
| Remained basically unchanged | 19 | 95.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 5.0 |
| Remained basically unchanged | 19 | 95.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

44. Over the past three months, how have initial margin requirements set by your institution with respect to OTC equity derivatives changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 16 | 88.9 |
| Decreased somewhat | 2 | 11.1 |
| Decreased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

A. Initial margin requirements for average clients

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 16 | 88.9 |
| Decreased somewhat | 2 | 11.1 |
| Decreased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

45. Over the past three months, how have initial margin requirements set by your institution with respect to OTC credit derivatives referencing corporates (single-name corporates or corporate indexes) changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 16 | 94.1 |
| Decreased somewhat | 1 | 5.9 |
| Decreased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

A. Initial margin requirements for average clients

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 88.2 |
| Decreased somewhat | 2 | 11.8 |
| Decreased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

46. Over the past three months, how have initial margin requirements set by your institution with respect to OTC credit derivatives referencing securitized products (such as specific ABS or MBS tranches and associated indexes) changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 7.7 |
| Remained basically unchanged | 12 | 92.3 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 13 | 100.0 |

A. Initial margin requirements for average clients

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 7.7 |
| Remained basically unchanged | 12 | 92.3 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 13 | 100.0 |

47. Over the past three months, how have initial margin requirements set by your institution with respect to OTC commodity derivatives changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

A. Initial margin requirements for average clients

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 16 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 16 | 100.0 |

48. Over the past three months, how have initial margin requirements set by your institution with respect to TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans) changed?

| A. | Initial | margin | requireme | nts for ave | rage clients |
|----|---------|--------|-----------|-------------|--------------|
| | | | | | |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 13 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 13 | 100.0 |

Nonstandard Collateral

49. Over the past three months, how has the posting of nonstandard collateral (that is, other than cash and U.S. Treasury securities) as permitted under relevant agreements changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 4 | 18.2 |
| Remained basically unchanged | 18 | 81.8 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

Mark and Collateral Disputes

- 50. Over the past three months, how has the volume of mark and collateral disputes relating to contracts of each of the following types changed?
 - A. FX

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 1 | 5.3 |
| Increased somewhat | 1 | 5.3 |
| Remained basically unchanged | 17 | 89.5 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

B. Interest rate

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 5.3 |
| Remained basically unchanged | 17 | 89.5 |
| Decreased somewhat | 1 | 5.3 |
| Decreased considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

C. Equity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 16 | 88.9 |
| Decreased somewhat | 2 | 11.1 |
| Decreased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

D. Credit referencing corporates

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 88.2 |
| Decreased somewhat | 2 | 11.8 |
| Decreased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 13 | 92.9 |
| Decreased somewhat | 1 | 7.1 |
| Decreased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

E. Credit referencing securitized products including MBS and ABS

F. Commodity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 2 | 12.5 |
| Remained basically unchanged | 14 | 87.5 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 16 | 100.0 |

G. TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 13 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 13 | 100.0 |

51. Over the past three months, how has the duration and persistence of mark and collateral disputes relating to contracts of each of the following types changed?

A. FX

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 5.6 |
| Remained basically unchanged | 17 | 94.4 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

B. Interest rate

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 17 | 94.4 |
| Decreased somewhat | 1 | 5.6 |
| Decreased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

C. Equity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 17 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

D. Credit referencing corporates

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 93.8 |
| Decreased somewhat | 1 | 6.3 |
| Decreased considerably | 0 | 0.0 |
| Total | 16 | 100.0 |

E. Credit referencing securitized products including MBS and ABS

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 14 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

F. Commodity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 1 | 6.7 |
| Remained basically unchanged | 14 | 93.3 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

G. TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans)

Securities Financing

Questions 52 through 79 ask about securities funding at your institution—that is, lending to clients collateralized by securities. Such activities may be conducted on a "repo" desk, on a trading desk engaged in facilitation for institutional clients and/or proprietary transactions, on a funding desk, or on a prime brokerage platform. Questions 52 through 55 focus on lending against high-grade corporate bonds; questions 56 through 59 on lending against high-yield corporate bonds; questions 60 and 61 on lending against equities (including through stock loan); questions 62 through 65 on lending against agency residential mortgage-backed securities (agency RMBS); questions 66 through 69 on lending against non-agency residential mortgage-backed securities (non-agency RMBS); questions 70 through 73 on lending against commercial mortgage-backed securities (CMBS); and questions 74 through 77 on consumer ABS (for example, backed by credit card receivables or auto loans). Questions 78 and 79 ask about mark and collateral disputes for lending backed by each of the aforementioned contract types.

If your institution's terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space.

High-Grade Corporate Bonds

- 52. Over the past three months, how have the terms under which high-grade corporate bonds are funded changed?
 - A. Terms for average clients
 - 1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 17 | 94.4 |
| Eased somewhat | 1 | 5.6 |
| Eased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 17 | 94.4 |
| Eased somewhat | 1 | 5.6 |
| Eased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 16 | 88.9 |
| Eased somewhat | 2 | 11.1 |
| Eased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 16 | 94.1 |
| Eased somewhat | 1 | 5.9 |
| Eased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

- B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
 - 1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 17 | 94.4 |
| Eased somewhat | 1 | 5.6 |
| Eased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 17 | 94.4 |
| Eased somewhat | 1 | 5.6 |
| Eased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 16 | 88.9 |
| Eased somewhat | 2 | 11.1 |
| Eased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 16 | 94.1 |
| Eased somewhat | 1 | 5.9 |
| Eased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

53. Over the past three months, how has demand for funding of high-grade corporate bonds by your institution's clients changed?

54. Over the past three months, how has demand for term funding with a maturity greater than 30 days of high-grade corporate bonds by your institution's clients changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 18 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

55. Over the past three months, how have liquidity and functioning in the high-grade corporate bond market changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Improved considerably | 0 | 0.0 |
| Improved somewhat | 2 | 10.5 |
| Remained basically unchanged | 17 | 89.5 |
| Deteriorated somewhat | 0 | 0.0 |
| Deteriorated considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

High-Yield Corporate Bonds

- 56. Over the past three months, how have the terms under which high-yield corporate bonds are funded changed?
 - A. Terms for average clients

1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 93.8 |
| Eased somewhat | 1 | 6.3 |
| Eased considerably | 0 | 0.0 |
| Total | 16 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 93.8 |
| Eased somewhat | 1 | 6.3 |
| Eased considerably | 0 | 0.0 |
| Total | 16 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 93.8 |
| Eased somewhat | 1 | 6.3 |
| Eased considerably | 0 | 0.0 |
| Total | 16 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 14 | 93.3 |
| Eased somewhat | 1 | 6.7 |
| Eased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 93.8 |
| Eased somewhat | 1 | 6.3 |
| Eased considerably | 0 | 0.0 |
| Total | 16 | 100.0 |

1) Maximum amount of funding

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 93.8 |
| Eased somewhat | 1 | 6.3 |
| Eased considerably | 0 | 0.0 |
| Total | 16 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 93.8 |
| Eased somewhat | 1 | 6.3 |
| Eased considerably | 0 | 0.0 |
| Total | 16 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 14 | 93.3 |
| Eased somewhat | 1 | 6.7 |
| Eased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

57. Over the past three months, how has demand for funding of high-yield corporate bonds by your institution's clients changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 2 | 11.1 |
| Remained basically unchanged | 16 | 88.9 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

58. Over the past three months, how has demand for term funding with a maturity greater than 30 days of high-yield corporate bonds by your institution's clients changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 3 | 17.6 |
| Remained basically unchanged | 14 | 82.4 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

59. Over the past three months, how have liquidity and functioning in the high-yield corporate bond market changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Improved considerably | 0 | 0.0 |
| Improved somewhat | 1 | 5.9 |
| Remained basically unchanged | 16 | 94.1 |
| Deteriorated somewhat | 0 | 0.0 |
| Deteriorated considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

Equities (Including through Stock Loan)

- 60. Over the past three months, how have the terms under which equities are funded (including through stock loan) changed?
 - A. Terms for average clients

1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 21 | 95.5 |
| Eased somewhat | 1 | 4.5 |
| Eased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 22 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 22 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 21 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

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

1) Maximum amount of funding

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 22 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 22 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 21 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

61. Over the past three months, how has demand for funding of equities (including through stock loan) by your institution's clients changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 3 | 13.6 |
| Remained basically unchanged | 17 | 77.3 |
| Decreased somewhat | 2 | 9.1 |
| Decreased considerably | 0 | 0.0 |
| Total | 22 | 100.0 |

Agency Residential Mortgage-Backed Securities

- 62. Over the past three months, how have the terms under which agency RMBS are funded changed?
 - A. Terms for average clients
 - 1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 2 | 10.0 |
| Remained basically unchanged | 17 | 85.0 |
| Eased somewhat | 1 | 5.0 |
| Eased considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 2 | 10.0 |
| Remained basically unchanged | 16 | 80.0 |
| Eased somewhat | 2 | 10.0 |
| Eased considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 20 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

- B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
 - 1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 5.3 |
| Remained basically unchanged | 15 | 78.9 |
| Eased somewhat | 3 | 15.8 |
| Eased considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 5.3 |
| Remained basically unchanged | 14 | 73.7 |
| Eased somewhat | 4 | 21.1 |
| Eased considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 18 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 5 | 25.0 |
| Remained basically unchanged | 15 | 75.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

63. Over the past three months, how has demand for funding of agency RMBS by your institution's clients changed?

64. Over the past three months, how has demand for term funding with a maturity greater than 30 days of agency RMBS by your institution's clients changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 5 | 23.8 |
| Remained basically unchanged | 16 | 76.2 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

65. Over the past three months, how have liquidity and functioning in the agency RMBS market changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Improved considerably | 0 | 0.0 |
| Improved somewhat | 2 | 10.0 |
| Remained basically unchanged | 18 | 90.0 |
| Deteriorated somewhat | 0 | 0.0 |
| Deteriorated considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

Non-agency Residential Mortgage-Backed Securities

- 66. Over the past three months, how have the terms under which non-agency RMBS are funded changed?
 - A. Terms for average clients
 - 1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 6.7 |
| Remained basically unchanged | 13 | 86.7 |
| Eased somewhat | 1 | 6.7 |
| Eased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 14 | 93.3 |
| Eased somewhat | 1 | 6.7 |
| Eased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 6.7 |
| Remained basically unchanged | 14 | 93.3 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 14 | 93.3 |
| Eased somewhat | 1 | 6.7 |
| Eased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

- B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
 - 1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 6.7 |
| Remained basically unchanged | 10 | 66.7 |
| Eased somewhat | 4 | 26.7 |
| Eased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 80.0 |
| Eased somewhat | 3 | 20.0 |
| Eased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 6.7 |
| Remained basically unchanged | 14 | 93.3 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 14 | 93.3 |
| Eased somewhat | 1 | 6.7 |
| Eased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 7 | 43.8 |
| Remained basically unchanged | 8 | 50.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 1 | 6.3 |
| Total | 16 | 100.0 |

67. Over the past three months, how has demand for funding of non-agency RMBS by your institution's clients changed?

68. Over the past three months, how has demand for term funding with a maturity greater than 30 days of non-agency RMBS by your institution's clients changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 8 | 53.3 |
| Remained basically unchanged | 7 | 46.7 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

69. Over the past three months, how have liquidity and functioning in the non-agency RMBS market changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Improved considerably | 0 | 0.0 |
| Improved somewhat | 7 | 43.8 |
| Remained basically unchanged | 8 | 50.0 |
| Deteriorated somewhat | 1 | 6.3 |
| Deteriorated considerably | 0 | 0.0 |
| Total | 16 | 100.0 |

Commercial Mortgage-Backed Securities

- 70. Over the past three months, how have the terms under which CMBS are funded changed?
 - A. Terms for average clients
 - 1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 13 | 92.9 |
| Eased somewhat | 1 | 7.1 |
| Eased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 13 | 92.9 |
| Eased somewhat | 1 | 7.1 |
| Eased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 7.1 |
| Remained basically unchanged | 13 | 92.9 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 13 | 92.9 |
| Eased somewhat | 1 | 7.1 |
| Eased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

- B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
 - 1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 85.7 |
| Eased somewhat | 2 | 14.3 |
| Eased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 13 | 92.9 |
| Eased somewhat | 1 | 7.1 |
| Eased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 7.1 |
| Remained basically unchanged | 13 | 92.9 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 13 | 92.9 |
| Eased somewhat | 1 | 7.1 |
| Eased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 2 | 14.3 |
| Remained basically unchanged | 12 | 85.7 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

71. Over the past three months, how has demand for funding of CMBS by your institution's clients changed?

72. Over the past three months, how has demand for term funding with a maturity greater than 30 days of CMBS by your institution's clients changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 3 | 21.4 |
| Remained basically unchanged | 11 | 78.6 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

73. Over the past three months, how have liquidity and functioning in the CMBS market changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Improved considerably | 0 | 0.0 |
| Improved somewhat | 5 | 35.7 |
| Remained basically unchanged | 9 | 64.3 |
| Deteriorated somewhat | 0 | 0.0 |
| Deteriorated considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

Consumer Asset-Backed Securities

- 74. Over the past three months, how have the terms under which consumer ABS (for example, backed by credit card receivables or auto loans) are funded changed?
 - A. Terms for average clients
 - 1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

- B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
 - 1) Maximum amount of funding

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

2) Maximum maturity

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

3) Haircuts

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

4) Collateral spreads over relevant benchmark (effective financing rates)

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 12 | 100.0 |
| Eased somewhat | 0 | 0.0 |
| Eased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 11 | 91.7 |
| Decreased somewhat | 1 | 8.3 |
| Decreased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

75. Over the past three months, how has demand for funding of consumer ABS by your institution's clients changed?

76. Over the past three months, how has demand for term funding with a maturity greater than 30 days of consumer ABS by your institution's clients changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 11 | 91.7 |
| Decreased somewhat | 1 | 8.3 |
| Decreased considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

77. Over the past three months, how have liquidity and functioning in the consumer ABS market changed?

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Improved considerably | 0 | 0.0 |
| Improved somewhat | 1 | 8.3 |
| Remained basically unchanged | 11 | 91.7 |
| Deteriorated somewhat | 0 | 0.0 |
| Deteriorated considerably | 0 | 0.0 |
| Total | 12 | 100.0 |

Mark and Collateral Disputes

78. Over the past three months, how has the volume of mark and collateral disputes relating to lending against each of the following collateral types changed?

A. High-grade corporate bonds

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 18 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

B. High-yield corporate bonds

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 18 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 18 | 100.0 |

C. Equities

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

D. Agency RMBS

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 20 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

E. Non-agency RMBS

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 16 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 16 | 100.0 |

F. CMBS

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 14 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

G. Consumer ABS

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 14 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 14 | 100.0 |

- 79. Over the past three months, how has the duration and persistence of mark and collateral disputes relating to lending against each of the following collateral types changed?
 - A. High-grade corporate bonds

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

B. High-yield corporate bonds

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 19 | 100.0 |

C. Equities

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 20 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 20 | 100.0 |

D. Agency RMBS

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 21 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 21 | 100.0 |

E. Non-agency RMBS

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 17 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 17 | 100.0 |

F. CMBS

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

G. Consumer ABS

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased considerably | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased considerably | 0 | 0.0 |
| Total | 15 | 100.0 |

Optional Question

Question 80 requests feedback on any other issues you judge to be important relating to credit terms applicable to securities financing transactions and OTC derivatives contracts.⁶

⁶ See note 4 in the Summary.

Special Questions

The following special questions are intended to provide better context for interpreting the core set of questions appearing above, which focus on changes in credit terms over the preceding three months. Unlike the core questions, these special questions will not be included in the survey on an ongoing basis.

Types of Assets Posted as Collateral against Over-the-Counter Derivatives Transactions

81. At present, about what share of collateral posted by your institution's clients as initial margin (or independent amount) against OTC derivatives transactions is accounted for by the following types of assets?

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 0 | 0.0 |
| Between 10 percent and 20 percent | 0 | 0.0 |
| Between 20 percent and 40 percent | 1 | 5.3 |
| Between 40 percent and 60 percent | 1 | 5.3 |
| Between 60 percent and 80 percent | 8 | 42.1 |
| Greater than 80 percent | 9 | 47.4 |
| Total | 19 | 100.0 |

A. Cash

B. U.S. Treasury bills

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 12 | 63.2 |
| Between 10 percent and 20 percent | 5 | 26.3 |
| Between 20 percent and 40 percent | 2 | 10.5 |
| Between 40 percent and 60 percent | 0 | 0.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 0 | 0.0 |
| Total | 19 | 100.0 |

C. U.S. Treasury notes and bonds

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 12 | 63.2 |
| Between 10 percent and 20 percent | 5 | 26.3 |
| Between 20 percent and 40 percent | 2 | 10.5 |
| Between 40 percent and 60 percent | 0 | 0.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 0 | 0.0 |
| Total | 19 | 100.0 |

D. Other U.S. government securities

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 14 | 73.7 |
| Between 10 percent and 20 percent | 1 | 5.3 |
| Between 20 percent and 40 percent | 1 | 5.3 |
| Between 40 percent and 60 percent | 0 | 0.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 0 | 0.0 |
| Contractually not accepted | 3 | 15.8 |
| Total | 19 | 100.0 |

E. Corporate bonds

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 13 | 68.4 |
| Between 10 percent and 20 percent | 1 | 5.3 |
| Between 20 percent and 40 percent | 0 | 0.0 |
| Between 40 percent and 60 percent | 0 | 0.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 0 | 0.0 |
| Contractually not accepted | 5 | 26.3 |
| Total | 19 | 100.0 |

F. Equities

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 10 | 52.6 |
| Between 10 percent and 20 percent | 1 | 5.3 |
| Between 20 percent and 40 percent | 0 | 0.0 |
| Between 40 percent and 60 percent | 0 | 0.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 0 | 0.0 |
| Contractually not accepted | 8 | 42.1 |
| Total | 19 | 100.0 |

G. Other

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 14 | 73.7 |
| Between 10 percent and 20 percent | 0 | 0.0 |
| Between 20 percent and 40 percent | 1 | 5.3 |
| Between 40 percent and 60 percent | 0 | 0.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 0 | 0.0 |
| Contractually not accepted | 4 | 21.1 |
| Total | 19 | 100.0 |

- 82. At present, about what share of collateral posted by your institution as initial margin to central counterparties and other financial market utilities against OTC derivatives transactions is accounted for by the following types of assets?
 - A. Cash

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 2 | 10.0 |
| Between 10 percent and 20 percent | 2 | 10.0 |
| Between 20 percent and 40 percent | 2 | 10.0 |
| Between 40 percent and 60 percent | 2 | 10.0 |
| Between 60 percent and 80 percent | 3 | 15.0 |
| Greater than 80 percent | 9 | 45.0 |
| Total | 20 | 100.0 |

B. U.S. Treasury bills

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 13 | 65.0 |
| Between 10 percent and 20 percent | 3 | 15.0 |
| Between 20 percent and 40 percent | 1 | 5.0 |
| Between 40 percent and 60 percent | 3 | 15.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 0 | 0.0 |
| Total | 20 | 100.0 |

| | Number of Respondents | Percent |
|-----------------------------------|--------------------------|---------|
| Less than 10 percent | 13 | 65.0 |
| Between 10 percent and 20 percent | 3 | 15.0 |
| Between 20 percent and 40 percent | 0 | 0.0 |
| Between 40 percent and 60 percent | 3 | 15.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 1 | 5.0 |
| Total | 20 | 100.0 |

C. U.S. Treasury notes and bonds

D. Other U.S. government securities

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 16 | 80.0 |
| Between 10 percent and 20 percent | 1 | 5.0 |
| Between 20 percent and 40 percent | 0 | 0.0 |
| Between 40 percent and 60 percent | 0 | 0.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 0 | 0.0 |
| Contractually not accepted | 3 | 15.0 |
| Total | 20 | 100.0 |

E. Corporate bonds

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 14 | 70.0 |
| Between 10 percent and 20 percent | 0 | 0.0 |
| Between 20 percent and 40 percent | 0 | 0.0 |
| Between 40 percent and 60 percent | 0 | 0.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 0 | 0.0 |
| Contractually not accepted | 6 | 30.0 |
| Total | 20 | 100.0 |

F. Equities

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 13 | 65.0 |
| Between 10 percent and 20 percent | 0 | 0.0 |
| Between 20 percent and 40 percent | 0 | 0.0 |
| Between 40 percent and 60 percent | 0 | 0.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 0 | 0.0 |
| Contractually not accepted | 7 | 35.0 |
| Total | 20 | 100.0 |

G. Other

| | Number of Respondents | Percent |
|--------------------------------------|--------------------------|---------|
| Less than 10 percent | 14 | 70.0 |
| Between 10 percent and 20 percent | 0 | 0.0 |
| Between 20 percent and 40 percent | 1 | 5.0 |
| Between 40 percent and 60 percent | 1 | 5.0 |
| Between 60 percent and 80 percent | 0 | 0.0 |
| Greater than 80 percent | 1 | 5.0 |
| Contractually not accepted | 3 | 15.0 |
| Total | 20 | 100.0 |

- 83. How do you expect the share of collateral posted by your institution's clients as initial margin (or independent amount) against OTC derivatives transactions that is accounted for by the following types of assets to change over the next year?
 - A. Cash

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 1 | 4.8 |
| Expect to increase somewhat | 4 | 19.0 |
| Expect to remain basically unchanged | 11 | 52.4 |
| Expect to decrease somewhat | 5 | 23.8 |
| Expect to decrease substantially | 0 | 0.0 |
| Institution does not accept this type of collateral | 0 | 0.0 |
| Total | 21 | 100.0 |

B. U.S. Treasury bills

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 0 | 0.0 |
| Expect to increase somewhat | 10 | 47.6 |
| Expect to remain basically unchanged | 11 | 52.4 |
| Expect to decrease somewhat | 0 | 0.0 |
| Expect to decrease substantially | 0 | 0.0 |
| Institution does not accept this type of collateral | 0 | 0.0 |
| Total | 21 | 100.0 |

C. U.S. Treasury notes and bonds

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 0 | 0.0 |
| Expect to increase somewhat | 10 | 47.6 |
| Expect to remain basically unchanged | 11 | 52.4 |
| Expect to decrease somewhat | 0 | 0.0 |
| Expect to decrease substantially | 0 | 0.0 |
| Institution does not accept this type of collateral | 0 | 0.0 |
| Total | 21 | 100.0 |

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 0 | 0.0 |
| Expect to increase somewhat | 6 | 28.6 |
| Expect to remain basically unchanged | 13 | 61.9 |
| Expect to decrease somewhat | 1 | 4.8 |
| Expect to decrease substantially | 0 | 0.0 |
| Institution does not accept this type of collateral | 1 | 4.8 |
| Total | 21 | 100.0 |

D. Other U.S. government securities

E. Corporate bonds

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 0 | 0.0 |
| Expect to increase somewhat | 4 | 19.0 |
| Expect to remain basically unchanged | 10 | 47.6 |
| Expect to decrease somewhat | 2 | 9.5 |
| Expect to decrease substantially | 1 | 4.8 |
| Institution does not accept this type of collateral | 4 | 19.0 |
| Total | 21 | 100.0 |

F. Equities

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 0 | 0.0 |
| Expect to increase somewhat | 4 | 19.0 |
| Expect to remain basically unchanged | 8 | 38.1 |
| Expect to decrease somewhat | 2 | 9.5 |
| Expect to decrease substantially | 1 | 4.8 |
| Institution does not accept this type of collateral | 6 | 28.6 |
| Total | 21 | 100.0 |

G. Other

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 0 | 0.0 |
| Expect to increase somewhat | 4 | 19.0 |
| Expect to remain basically unchanged | 2 | 9.5 |
| Expect to decrease somewhat | 0 | 0.0 |
| Expect to decrease substantially | 0 | 0.0 |
| Institution does not accept this type of collateral | 15 | 71.4 |
| Total | 21 | 100.0 |

84. How do you expect the share of collateral posted by your institution as initial margin against OTC derivatives transactions to central counterparties and other financial market utilities that is accounted for by the following types of assets to change over the next year?

A. Cash

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 2 | 9.5 |
| Expect to increase somewhat | 1 | 4.8 |
| Expect to remain basically unchanged | 11 | 52.4 |
| Expect to decrease somewhat | 4 | 19.0 |
| Expect to decrease substantially | 2 | 9.5 |
| Institution does not post this type of collateral | 1 | 4.8 |
| Total | 21 | 100.0 |

B. U.S. Treasury bills

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 0 | 0.0 |
| Expect to increase somewhat | 4 | 19.0 |
| Expect to remain basically unchanged | 13 | 61.9 |
| Expect to decrease somewhat | 3 | 14.3 |
| Expect to decrease substantially | 0 | 0.0 |
| Institution does not post this type of collateral | 1 | 4.8 |
| Total | 21 | 100.0 |

C. U.S. Treasury notes and bonds

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 1 | 4.8 |
| Expect to increase somewhat | 3 | 14.3 |
| Expect to remain basically unchanged | 14 | 66.7 |
| Expect to decrease somewhat | 2 | 9.5 |
| Expect to decrease substantially | 0 | 0.0 |
| Institution does not post this type of collateral | 1 | 4.8 |
| Total | 21 | 100.0 |

| D. | Other U | U.S. | government | securities |
|----|---------|------|------------|------------|
|----|---------|------|------------|------------|

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 0 | 0.0 |
| Expect to increase somewhat | 7 | 33.3 |
| Expect to remain basically unchanged | 11 | 52.4 |
| Expect to decrease somewhat | 1 | 4.8 |
| Expect to decrease substantially | 0 | 0.0 |
| Institution does not post this type of collateral | 2 | 9.5 |
| Total | 21 | 100.0 |

E. Corporate bonds

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 0 | 0.0 |
| Expect to increase somewhat | 6 | 28.6 |
| Expect to remain basically unchanged | 7 | 33.3 |
| Expect to decrease somewhat | 2 | 9.5 |
| Expect to decrease substantially | 0 | 0.0 |
| Institution does not post this type of collateral | 6 | 28.6 |
| Total | 21 | 100.0 |

F. Equities

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 0 | 0.0 |
| Expect to increase somewhat | 2 | 9.5 |
| Expect to remain basically unchanged | 9 | 42.9 |
| Expect to decrease somewhat | 2 | 9.5 |
| Expect to decrease substantially | 0 | 0.0 |
| Institution does not post this type of collateral | 8 | 38.1 |
| Total | 21 | 100.0 |

G. Other

| | Number of Respondents | Percent |
|---|--------------------------|---------|
| Expect to increase substantially | 0 | 0.0 |
| Expect to increase somewhat | 3 | 14.3 |
| Expect to remain basically unchanged | 2 | 9.5 |
| Expect to decrease somewhat | 0 | 0.0 |
| Expect to decrease substantially | 0 | 0.0 |
| Institution does not post this type of collateral | 16 | 76.2 |
| Total | 21 | 100.0 |

Posting of Initial Margin (or Independent Amount) by Clients

- 85. How has the fraction of clients of each of the following types posting initial margin (or independent amount) against OTC derivative transactions changed over the past year?
 - A. Hedge funds

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased substantially | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 20 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased substantially | 0 | 0.0 |
| Total | 20 | 100.0 |

B. Mutual funds

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased substantially | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased substantially | 0 | 0.0 |
| Total | 19 | 100.0 |

C. Pension plans

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased substantially | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased substantially | 0 | 0.0 |
| Total | 19 | 100.0 |

D. Insurance companies

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased substantially | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased substantially | 0 | 0.0 |
| Total | 19 | 100.0 |

E. Other financial corporations

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased substantially | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 20 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased substantially | 0 | 0.0 |
| Total | 20 | 100.0 |

F. Nonfinancial corporations

| | Number of Respondents | Percent |
|------------------------------|--------------------------|---------|
| Increased substantially | 0 | 0.0 |
| Increased somewhat | 0 | 0.0 |
| Remained basically unchanged | 19 | 100.0 |
| Decreased somewhat | 0 | 0.0 |
| Decreased substantially | 0 | 0.0 |
| Total | 19 | 100.0 |