

Table 1

SENIOR LOAN OFFICER OPINION SURVEY ON BANK LENDING PRACTICES
AT SELECTED LARGE BANKS IN THE UNITED STATES
(Status of policy as of January 2000¹)

Questions 1-6 ask about **commercial and industrial loans** at your bank. Questions 1-3 deal with changes in your bank's lending policies over the past three months, questions 4 and 5 deal with changes in demand over the same period, and question 6 asks about recent increases in delinquency rates on C&I loans. If your bank's lending policies have not changed over the past three months, please report them as unchanged even if the policies are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies as changes in policies.

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

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

| | All Respondents | | Large Banks | | Other Banks | |
|------------------------------|-----------------|--------------|-------------|--------------|-------------|--------------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 6 | 10.9 | 3 | 10.0 | 3 | 12.0 |
| Remained basically unchanged | 49 | 89.1 | 27 | 90.0 | 22 | 88.0 |
| Eased somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|------------------------------|-----------------|--------------|-------------|--------------|-------------|--------------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 5 | 9.4 | 3 | 10.7 | 2 | 8.0 |
| Remained basically unchanged | 48 | 90.6 | 25 | 89.3 | 23 | 92.0 |
| Eased somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 53 | 100.0 | 28 | 100.0 | 25 | 100.0 |

1. The sample is selected from among the largest banks in each Federal Reserve District. In the table, large banks are defined as those with total domestic assets of \$20 billion or more as of September 30, 1999. The combined assets of the 30 large banks totaled \$2.06 trillion, compared to \$2.29 trillion for the entire panel of 55 banks, and \$ 4.77 trillion for all domestically chartered, federally insured commercial banks.

2. For applications for C&I loans or credit lines--other than those to be used to finance mergers and acquisitions--from large and middle-market firms and from small firms that your bank currently is willing to approve, how have the terms of those loans changed over the past three months? (Please assign each term a number between 1 and 5 using the following scale: 1=tightened considerably, 2=tightened somewhat, 3=remained basically unchanged, 4=eased somewhat, 5=eased considerably.)

A. Terms for large and middle-market firms (annual sales of more than \$50 million)

| | All Respondents | Large Banks | Other Banks |
|--|-----------------|-------------|-------------|
| | Mean | Mean | Mean |
| Maximum size of credit lines | 2.81 | 2.75 | 2.88 |
| Costs of credit lines | 2.79 | 2.68 | 2.92 |
| Spreads of loan rates over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased) | 2.75 | 2.61 | 2.92 |
| The premiums charged on riskier loans | 2.62 | 2.54 | 2.71 |
| Loan covenants | 2.90 | 2.82 | 3.00 |
| Collateralization requirements | 2.87 | 2.86 | 2.88 |
| Other | 3.00 | 3.00 | 3.00 |
| Number of banks responding | 52 | 28 | 24 |

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

| | All Respondents | Large Banks | Other Banks |
|--|-----------------|-------------|-------------|
| | Mean | Mean | Mean |
| Maximum size of credit lines | 2.92 | 2.96 | 2.88 |
| Costs of credit lines | 2.92 | 2.92 | 2.92 |
| Spreads of loan rates over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased) | 2.90 | 2.88 | 2.92 |
| The premiums charged on riskier loans | 2.78 | 2.81 | 2.75 |
| Loan covenants | 2.88 | 2.85 | 2.92 |
| Collateralization requirements | 2.92 | 2.96 | 2.88 |
| Other | 3.00 | 3.00 | 3.00 |
| Number of banks responding | 50 | 26 | 24 |

3. If your bank has tightened or eased its credit standards or its terms for C&I loans or credit lines over the past three months (as described in questions 1 and 2), how important have been the following possible reasons for the change? (Please respond to either A, B, or both as appropriate.) (Please rate each possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important.)

A. Possible reasons for tightening credit standards or loan terms

| | All Respondents | Large Banks | Other Banks |
|--|-----------------|-------------|-------------|
| | Mean | Mean | Mean |
| A deterioration in your bank's current or expected capital position | 1.05 | 1.07 | 1.00 |
| A less favorable or more uncertain economic outlook | 1.68 | 1.67 | 1.71 |
| A worsening of industry-specific problems | 1.55 | 1.47 | 1.71 |
| Less aggressive competition from other banks | 1.05 | 1.07 | 1.00 |
| Less aggressive competition from nonbank lenders (other financial intermediaries or the capital markets) | 1.14 | 1.20 | 1.00 |
| A reduced tolerance for risk | 1.73 | 1.53 | 2.14 |
| Decreased liquidity in the secondary market for these loans | 1.36 | 1.40 | 1.29 |
| Other | 1.23 | 1.20 | 1.29 |
| Number of banks responding | 22 | 15 | 7 |

B. Possible reasons for easing credit standards or loan terms

| | All Respondents | Large Banks | Other Banks |
|--|-----------------|-------------|-------------|
| | Mean | Mean | Mean |
| An improvement in your bank's current or expected capital position | 1.00 | 0.00 | 1.00 |
| A more favorable or less uncertain economic outlook | 2.00 | 0.00 | 2.00 |
| An improvement in industry-specific problems | 1.00 | 0.00 | 1.00 |
| More aggressive competition from other banks | 2.50 | 0.00 | 2.50 |
| More aggressive competition from nonbank lenders (other financial intermediaries or the capital markets) | 2.00 | 0.00 | 2.00 |
| An increased tolerance for risk | 2.00 | 0.00 | 2.00 |
| Increased liquidity in the secondary market for these loans | 1.00 | 0.00 | 1.00 |
| Other | 1.00 | 0.00 | 1.00 |
| Number of banks responding | 2 | 0 | 2 |

4. How has demand for C&I loans (actual disbursements of funds as opposed to requests for new or increased lines of credit) changed over the past three months (apart from normal seasonal variation)?

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

| | All Respondents | | Large Banks | | Other Banks | |
|------------------------|-----------------|--------------|-------------|--------------|-------------|--------------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Substantially stronger | 1 | 1.8 | 0 | 0.0 | 1 | 4.0 |
| Moderately stronger | 11 | 20.0 | 7 | 23.3 | 4 | 16.0 |
| About the same | 36 | 65.5 | 19 | 63.3 | 17 | 68.0 |
| Moderately weaker | 7 | 12.7 | 4 | 13.3 | 3 | 12.0 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|------------------------|-----------------|--------------|-------------|--------------|-------------|--------------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Substantially stronger | 1 | 1.9 | 0 | 0.0 | 1 | 4.0 |
| Moderately stronger | 6 | 11.3 | 3 | 10.7 | 3 | 12.0 |
| About the same | 38 | 71.7 | 21 | 75.0 | 17 | 68.0 |
| Moderately weaker | 8 | 15.1 | 4 | 14.3 | 4 | 16.0 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 53 | 100.0 | 28 | 100.0 | 25 | 100.0 |

5. If demand for C&I loans has strengthened or weakened over the past three months (as described in question 4), how important have been the following possible reasons for the change? (Please respond to either A, B, or both as appropriate.) (Please rate each possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important.)

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

| | All Respondents | Large Banks | Other Banks |
|---|-----------------|-------------|-------------|
| | Mean | Mean | Mean |
| Customer inventory financing needs increased | 1.50 | 1.57 | 1.40 |
| Customer accounts receivable financing needs increased | 1.58 | 1.57 | 1.60 |
| Customer investment in plant or equipment increased | 1.58 | 1.71 | 1.40 |
| Customer internally generated funds decreased | 1.17 | 1.00 | 1.40 |
| Customer borrowing shifted from other sources to your bank because these other sources became less attractive | 1.33 | 1.00 | 1.80 |
| Customer merger or acquisition financing needs increased | 2.08 | 2.29 | 1.80 |
| Customer liquidity needs increased | 1.33 | 1.29 | 1.40 |
| Other | 1.25 | 1.14 | 1.40 |
| Number of banks responding | 12 | 7 | 5 |

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

| | All Respondents | Large Banks | Other Banks |
|---|-----------------|-------------|-------------|
| | Mean | Mean | Mean |
| Customer inventory financing needs decreased | 1.40 | 1.50 | 1.25 |
| Customer accounts receivable financing needs decreased | 1.40 | 1.50 | 1.25 |
| Customer investment in plant or equipment decreased | 1.70 | 1.67 | 1.75 |
| Customer internally generated funds increased | 1.30 | 1.17 | 1.50 |
| Customer borrowing shifted from your bank to other sources because these other sources became more attractive | 1.10 | 1.00 | 1.25 |
| Customer merger or acquisition financing needs decreased | 1.60 | 1.83 | 1.25 |
| Customer liquidity needs decreased | 1.30 | 1.17 | 1.50 |
| Other | 1.10 | 1.17 | 1.00 |
| Number of banks responding | 10 | 6 | 4 |

6. Delinquency rates on C&I loans have been rising gradually since early 1998. Although they remain at low levels, this upward trend has occurred during a period of exceptional economic growth and strong business profits. If delinquency rates on C&I loans at your bank have increased, what factors were important reasons? (Please rate each possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important.)

| | All Respondents | Large Banks | Other Banks |
|--|-----------------|-------------|-------------|
| | Mean | Mean | Mean |
| Problems that developed in a limited number of specific industries | 1.81 | 2.00 | 1.50 |
| A general easing of lending standards and terms between 1994 and 1998 | 1.45 | 1.47 | 1.42 |
| A general seasoning of your bank's loan portfolio | 1.39 | 1.26 | 1.58 |
| By 1998, delinquency rates had fallen to abnormally low levels and have been returning to a more normal long-run level | 1.74 | 1.79 | 1.67 |
| Other | 1.19 | 1.16 | 1.25 |
| Number of banks responding | 31 | 19 | 12 |

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

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

| | All Respondents | | Large Banks | | Other Banks | |
|------------------------------|-----------------|-------|-------------|-------|-------------|-------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 7 | 12.7 | 3 | 10.0 | 4 | 16.0 |
| Remained basically unchanged | 47 | 85.5 | 26 | 86.7 | 21 | 84.0 |
| Eased somewhat | 1 | 1.8 | 1 | 3.3 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

8. Over the past three months, how has demand for commercial real estate loans changed (apart from normal seasonal variation)?

| | All Respondents | | Large Banks | | Other Banks | |
|------------------------|-----------------|-------|-------------|-------|-------------|-------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 11 | 20.4 | 6 | 20.0 | 5 | 20.8 |
| About the same | 38 | 70.4 | 22 | 73.3 | 16 | 66.7 |
| Moderately weaker | 5 | 9.3 | 2 | 6.7 | 3 | 12.5 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 54 | 100.0 | 30 | 100.0 | 24 | 100.0 |

Questions 9 and 10 ask about **home mortgage loans** at your bank. Question 9 deals with changes in your bank's credit standards over the past three months, and question 10 deals with changes in demand over the same period. If your bank's credit standards have not changed over the past three months, please report them as unchanged even if the standards are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.

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

| | All Respondents | | Large Banks | | Other Banks | |
|------------------------------|-----------------|--------------|-------------|--------------|-------------|--------------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.9 | 1 | 3.7 | 0 | 0.0 |
| Remained basically unchanged | 49 | 94.2 | 26 | 96.3 | 23 | 92.0 |
| Eased somewhat | 2 | 3.8 | 0 | 0.0 | 2 | 8.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

10. Over the past three months, how has demand for mortgages to purchase homes (as opposed to refinancing existing mortgages) changed (apart from normal seasonal variation)?

| | All Respondents | | Large Banks | | Other Banks | |
|------------------------|-----------------|--------------|-------------|--------------|-------------|--------------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| About the same | 19 | 36.5 | 10 | 37.0 | 9 | 36.0 |
| Moderately weaker | 26 | 50.0 | 13 | 48.1 | 13 | 52.0 |
| Substantially weaker | 7 | 13.5 | 4 | 14.8 | 3 | 12.0 |
| Total | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

Questions 11-16 ask about **consumer lending** at your bank. Questions 11-13 deal with changes in your bank's willingness to make, and in its credit standards for, consumer loans over the past three months. Questions 14 and 15 deal with changes in loan terms over the same period, and question 16 deals with changes in demand over the same period. If your bank's lending policies have not changed over the past three months, please report them as unchanged even if the policies are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies as changes in policies.

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

| | All Respondents | | Large Banks | | Other Banks | |
|-----------------------|-----------------|--------------|-------------|--------------|-------------|--------------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Much more willing | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Somewhat more willing | 3 | 5.8 | 1 | 3.7 | 2 | 8.0 |
| About unchanged | 48 | 92.3 | 25 | 92.6 | 23 | 92.0 |
| Somewhat less willing | 1 | 1.9 | 1 | 3.7 | 0 | 0.0 |
| Much less willing | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|------------------------------|-----------------|--------------|-------------|--------------|-------------|--------------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Tightened considerably | 1 | 2.4 | 1 | 4.3 | 0 | 0.0 |
| Tightened somewhat | 2 | 4.8 | 2 | 8.7 | 0 | 0.0 |
| Remained basically unchanged | 38 | 90.5 | 20 | 87.0 | 18 | 94.7 |
| Eased somewhat | 1 | 2.4 | 0 | 0.0 | 1 | 5.3 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 42 | 100.0 | 23 | 100.0 | 19 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|------------------------------|-----------------|--------------|-------------|--------------|-------------|--------------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 3 | 5.8 | 2 | 7.4 | 1 | 4.0 |
| Remained basically unchanged | 48 | 92.3 | 25 | 92.6 | 23 | 92.0 |
| Eased somewhat | 1 | 1.9 | 0 | 0.0 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

14. Over the past three months, how has your bank changed the following terms on new or existing credit card accounts for individuals or households? (Please assign each term a number between 1 and 5 using the following scale: 1=tightened considerably, 2=tightened somewhat, 3=remained basically unchanged, 4=eased somewhat, 5=eased considerably.)

| | All Respondents | Large Banks | Other Banks |
|--|-----------------|-------------|-------------|
| | Mean | Mean | Mean |
| Credit limits | 3.00 | 2.95 | 3.05 |
| Spreads of interest rates charged on outstanding balances over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased) | 2.97 | 2.90 | 3.05 |
| Minimum percent of outstanding balances required to be repaid each month | 2.92 | 2.90 | 2.95 |
| Other | 3.00 | 2.95 | 3.05 |
| Number of banks responding | 39 | 20 | 19 |

15. Over the past three months, how has your bank changed the following terms on consumer loans other than credit card loans? (Please assign each term a number between 1=tightened considerably and 5=eased considerably as in question 16.)

| | All Respondents | Large Banks | Other Banks |
|--|-----------------|-------------|-------------|
| | Mean | Mean | Mean |
| Maximum maturity | 2.98 | 2.92 | 3.04 |
| Spreads of loan rates over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased) | 2.94 | 2.96 | 2.92 |
| Minimum required down payment | 2.98 | 2.96 | 3.00 |
| Other | 3.02 | 3.00 | 3.04 |
| Number of banks responding | 50 | 26 | 24 |

16. Over the past three months, how has demand for consumer loans of all types changed (apart from normal seasonal variation)?

| | All Respondents | | Large Banks | | Other Banks | |
|------------------------|-----------------|-------|-------------|-------|-------------|-------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 5 | 9.6 | 3 | 11.1 | 2 | 8.0 |
| About the same | 37 | 71.2 | 19 | 70.4 | 18 | 72.0 |
| Moderately weaker | 10 | 19.2 | 5 | 18.5 | 5 | 20.0 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

Question 17 asks for the reasons behind the recent strength in loans to securities brokers and dealers.

17. Bank lending to securities brokers and dealers in the form of reverse RP transactions was extremely strong during the November-December period. If your bank increased its activity in this market over this period, what factors were important? (Please rate each possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important.)

| | All Respondents | Large Banks | Other Banks |
|---|-----------------|-------------|-------------|
| | Mean | Mean | Mean |
| Broker-dealers' funding needs were extremely heavy | 1.58 | 1.50 | 2.00 |
| Your bank took advantage of attractive lending opportunities that developed when other institutional lenders in the RP market pulled back | 1.42 | 1.40 | 1.50 |
| Broker-dealers found the cost of issuing commercial paper increasing, particularly at maturities extending over year-end | 1.58 | 1.50 | 2.00 |
| Your bank enjoyed unusually low costs to fund its RP lending | 1.33 | 1.30 | 1.50 |
| Your bank found reverse RPs to be an attractive way to deploy increased deposits in Treasury tax and loan accounts | 1.25 | 1.30 | 1.00 |
| Your bank has decided to alter its portfolio strategy and increase the share of assets allocated to reverse RP transactions | 1.25 | 1.30 | 1.00 |
| Other | 1.33 | 1.40 | 1.00 |
| Number of banks responding | 12 | 10 | 2 |

Questions 18-21 ask about demand for business credit related to the century date change.

18. In the weeks and months leading up to and the period immediately following the year-end, how much credit has your bank extended to *nonfinancial* firms that was used to meet Year 2000 (Y2K) related needs? (Please include draws under regular lines of credit, as well as Y2K contingency lines.)

| | All Respondents | | Large Banks | | Other Banks | |
|----------------------------|-----------------|-------|-------------|-------|-------------|-------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| A substantial amount | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| A moderate amount | 3 | 5.6 | 1 | 3.3 | 2 | 8.3 |
| A negligible amount | 51 | 94.4 | 29 | 96.7 | 22 | 91.7 |
| Number of banks responding | 54 | 100.0 | 30 | 100.0 | 24 | 100.0 |

19. If your bank extended at least a moderate amount of funding to *nonfinancial* firms for Y2K-related needs (answer 1 or 2 to question 18), which of the following are important reasons for these borrowings? (Please rate each possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important.)

| | All Respondents | Large Banks | Other Banks |
|--|-----------------|-------------|-------------|
| | Mean | Mean | Mean |
| To fund precautionary buildups of inventories | 1.50 | 1.50 | 1.50 |
| To fund precautionary buildups of liquidity | 1.50 | 1.50 | 1.50 |
| To fill funding gaps caused by delays in rolling over commercial paper | 1.50 | 1.50 | 1.50 |
| To fill funding gaps caused by delays in collection of receivables | 1.25 | 1.00 | 1.50 |
| Other | 1.00 | 1.00 | 1.00 |
| Number of banks responding | 4 | 2 | 2 |

20. How much credit has your bank extended to *financial* firms that was used to meet Y2K-related needs? (Please include draws under regular lines of credit, as well as Y2K contingency lines.)

| | All Respondents | | Large Banks | | Other Banks | |
|----------------------------|-----------------|-------|-------------|-------|-------------|-------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| A substantial amount | 1 | 1.9 | 1 | 3.3 | 0 | 0.0 |
| A moderate amount | 3 | 5.6 | 2 | 6.7 | 1 | 4.2 |
| A negligible amount | 50 | 92.6 | 27 | 90.0 | 23 | 95.8 |
| Number of banks responding | 54 | 100.0 | 30 | 100.0 | 24 | 100.0 |

21. If your bank extended at least a moderate amount of credit to *financial* firms for Y2K-related needs (answer 1 or 2 to question 20), which of the following were important recipients of these funds? (Please select all that apply.)

| | All Respondents | | Large Banks | | Other Banks | |
|--|-----------------|-------|-------------|-------|-------------|-------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Insurance companies | 3 | 50.0 | 2 | 50.0 | 1 | 50.0 |
| Finance companies | 2 | 33.3 | 1 | 25.0 | 1 | 50.0 |
| Mutual funds | 4 | 66.7 | 3 | 75.0 | 1 | 50.0 |
| Securities dealers and brokerages | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| REITs | 1 | 16.7 | 0 | 0.0 | 1 | 50.0 |
| Domestic banks | 3 | 50.0 | 2 | 50.0 | 1 | 50.0 |
| Branches and agencies of foreign banks | 1 | 16.7 | 0 | 0.0 | 1 | 50.0 |
| Credit unions | 1 | 16.7 | 0 | 0.0 | 1 | 50.0 |
| Savings and loans institutions | 1 | 16.7 | 0 | 0.0 | 1 | 50.0 |
| Mortgage banks | 1 | 16.7 | 0 | 0.0 | 1 | 50.0 |
| Government sponsored enterprises | 2 | 33.3 | 1 | 25.0 | 1 | 50.0 |
| Other | 1 | 16.7 | 1 | 25.0 | 0 | 0.0 |
| Number of banks responding | 6 | 100.0 | 4 | 100.0 | 2 | 100.0 |

Question 22 relates to balance sheet changes around year-end attributable to Y2K effects.

22. How was your bank's position as a net demander or supplier of funds affected by credit demands and deposit (or other liabilities) flows related to Y2K effects? In the days or weeks around year-end, your bank experienced: (Please choose one.)

| | All Respondents | | Large Banks | | Other Banks | |
|---|-----------------|-------|-------------|-------|-------------|-------|
| | Banks | Pct | Banks | Pct | Banks | Pct |
| Substantial need for funds to meet Y2K-related credit demands and/or deposit out flows | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate need for funds to meet Y2K-related credit demands and/or deposit out flows | 3 | 5.6 | 0 | 0.0 | 3 | 12.0 |
| No unusual funding pressures, as Y2K-related credit demands about matched Y2K-related net deposit inflows | 13 | 24.1 | 6 | 20.7 | 7 | 28.0 |
| Moderate excess funds to invest, owing to Y2K-related deposit inflows | 3 | 5.6 | 2 | 6.9 | 1 | 4.0 |
| Substantial excess funds to invest, owing to Y2K-related deposit inflows | 2 | 3.7 | 2 | 6.9 | 0 | 0.0 |
| No unusual funding pressures, as neither credit demands nor deposit flows were materially affected by Y2K-related effects | 33 | 61.1 | 19 | 65.5 | 14 | 56.0 |
| Number of banks responding | 54 | 100.0 | 29 | 100.0 | 25 | 100.0 |