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TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

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

Enclosures

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

## The April 2011 Senior Loan Officer Opinion Survey on Bank Lending Practices

The April 2011 Senior Loan Officer Opinion Survey on Bank Lending Practices addressed changes in the supply of, and demand for, loans to businesses and households over the past three months. The survey also included sets of special questions on changes in the overall credit quality of potential business borrowers and on changes in the number of applications for new or increased credit card lines and in the quality of such applicants. This summary is based on responses from 55 domestic banks and 22 U.S. branches and agencies of foreign banks (hereafter referred to as foreign banks).[1]

The April survey indicated that, on net, bank lending standards and terms generally had eased somewhat further during the first quarter of this year, and that the demand for commercial and industrial loans (C&I) and for commercial mortgages increased, while that for residential mortgages continued to decrease.[2]

Banks continued to ease standards and terms for C&I loans. The majority of respondents that had eased standards and terms on C&I loans cited increased competition from other banks and nonbank lenders as the most important reason for the easing. Some banks that had eased standards and terms also pointed to a more favorable or less uncertain economic outlook.

Regarding changes in standards and terms on loans to households, several large banks eased lending policies on credit card and auto loans, and the net fraction of banks that reported having become more willing to make consumer installment loans rose to its highest level since the first half of 1994.[3] Moderate net fractions of banks reported a net easing of the spreads of auto loan rates over their own cost of funds, and roughly similar fractions of large banks also eased several other terms on such loans.

Demand for C&I loans from large and middle-market firms reportedly increased over the past three months.[4] Responses indicating increases in demand for C&I loans from smaller firms were less widespread than for larger firms. Demand for commercial real estate (CRE) loans also reportedly increased, particularly at larger banks. In contrast, relatively large fractions noted that demand for each type of residential mortgage covered in the survey had declined. Demand for

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[1] Respondent banks received the survey on or after March 29, 2011, and responses were due by April 12, 2011.

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

[3] Large banks are defined as banks with assets greater than or equal to $20 billion as of December 31, 2010, and other banks as those with assets of less than $20 billion.

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

auto loans reportedly strengthened this quarter, while demand was little changed for credit card loans and other consumer loans.

**Lending to Businesses**
(Table 1, questions 1-9; Table 2, questions 1-9)

**Questions on commercial and industrial lending.** The April survey showed that about 15 percent of banks reported having eased standards on C&I loans to large and middle-market firms and to small firms in the first quarter, as did 20 percent of foreign banks. No domestic or foreign banks tightened standards on C&I loans during this period.

Positive net fractions of banks eased most loan terms on C&I loans for firms of all sizes. Loan spreads were eased by somewhat more respondents than in the previous quarter, with about 55 percent of domestic banks, on net, narrowing spreads over their cost of funds on loans to large and middle-market firms and 50 percent, on net, narrowing spreads on loans to small firms. Also, about 50 percent of foreign banks reported an easing of the spreads of loan rates over their own cost of funds. Somewhat smaller net fractions of domestic banks lowered the cost of credit lines and reduced the use of interest rate floors (a new loan term added to this survey) in lending to firms of all sizes. On net, about 30 percent of foreign banks reduced their use of interest rate floors. Moderate net fractions of larger domestic banks and foreign banks eased loan covenants, with several banks adding comments noting the reemergence of syndicated loans with few or no loan covenants.

Most respondents that had eased standards or terms on C&I loans cited increased competition from other banks and nonbank lenders as a reason for the changes. About 45 percent of respondents also cited a more favorable or less uncertain economic outlook—a smaller fraction than in the previous survey. About 35 percent noted increased liquidity in the secondary market for C&I loans. Only about 20 percent pointed to an increased tolerance for risk at their institution as a reason for easing, and only a few banks reported having reduced interest rate premiums on riskier loans.

A moderate net fraction of domestic respondents—about 25 percent—reported stronger demand for C&I loans from large and middle-market firms. However, as in the previous survey, a much smaller net fraction of banks (about 10 percent) reported stronger demand from small firms. Of the banks reporting stronger demand for C&I loans by firms of any size, substantial fractions indicated that the greater demand was due to an increase in customers' financing needs for inventories, merger and acquisition activity, and accounts receivable, as well as to a reduction in borrowing from other banks and nonbank sources. The most often cited reason for stronger demand noted by larger banks was greater demand for financing merger and acquisition activity, whereas for other banks it was a rise in financing needs for inventories. On net, about 35 percent of banks reported a pickup in inquiries from business borrowers about new or increased credit lines. Foreign banks also reported a slight improvement in demand, on net, and a moderate increase in inquiries regarding lines of credit.

**Special Question on Changes in the Overall Credit Quality of Potential Business Borrowers.** In response to a special question regarding changes in the overall credit quality of potential business borrowers over the past three months, about 55 percent of domestic respondents reported improvements in the overall credit quality of large and middle-market loan applicants, while about 35 percent of domestic respondents reported improvements, on net, in the overall credit quality of small firms that applied for loans.[5] Large domestic banks were more upbeat than their smaller and foreign counterparts regarding improvements in the overall credit quality of business loan applicants, with about 75 percent of the large bank respondents reporting that the overall credit quality of large and middle-market applicants improved over the past three months.

**Questions on commercial real estate lending.** In the April survey, most domestic banks reported no change in their standards for approving CRE loans; however, a few large banks and foreign banks reportedly eased such standards somewhat. About 35 percent of domestic banks reported having seen increased demand for CRE loans—the strongest reading since the mid-1990s. The banks that indicated an increase in demand were almost all large domestic banks. Other domestic and foreign banks reported little change in demand for CRE loans on net.

### Lending to Households

(Table 1, questions 10-26)

**Questions on residential real estate lending.** On net, standards on prime closed-end residential real estate loans and home equity lines of credit were about unchanged during the first quarter of 2011. As in the previous two surveys, about 10 percent of banks, on net, tightened standards on nontraditional mortgages. The tightening of standards on nontraditional mortgages primarily reflected changes at smaller banks; all larger banks left those standards about unchanged.

Moderate net fractions of banks reported weakening demand for both prime and nontraditional closed-end loans as well as for home equity lines of credit. Demand for closed-end loans has now declined for three consecutive quarters.

**Questions on consumer lending.** The net fraction of banks that reported having become more willing to make consumer installment loans registered its strongest reading since the first half of 1994.

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[5] This special question asked respondents to consider the average credit quality of applications that were denied as well as of those that were approved.

For the first time in the survey, questions on standards and terms, as well as demand, for consumer loans were split into three separate categories:  credit card, auto, and other consumer loans.  On net, about 20 percent of banks reported having eased standards for approving credit card applications, and this easing was concentrated at the large banks.  Terms were little changed for credit card loans, on balance, over the preceding three months.  Standards for loans to purchase new and used autos were eased by about 15 percent of banks on net.  As with credit card loans, this easing was concentrated at the large banks.  Moderate net fractions of large banks also eased spreads and other terms on these loans.  Other banks eased loan spreads, but left other loan terms and lending standards about unchanged. Banks reported little change, on net, on standards and terms for other consumer loans over the last three months.

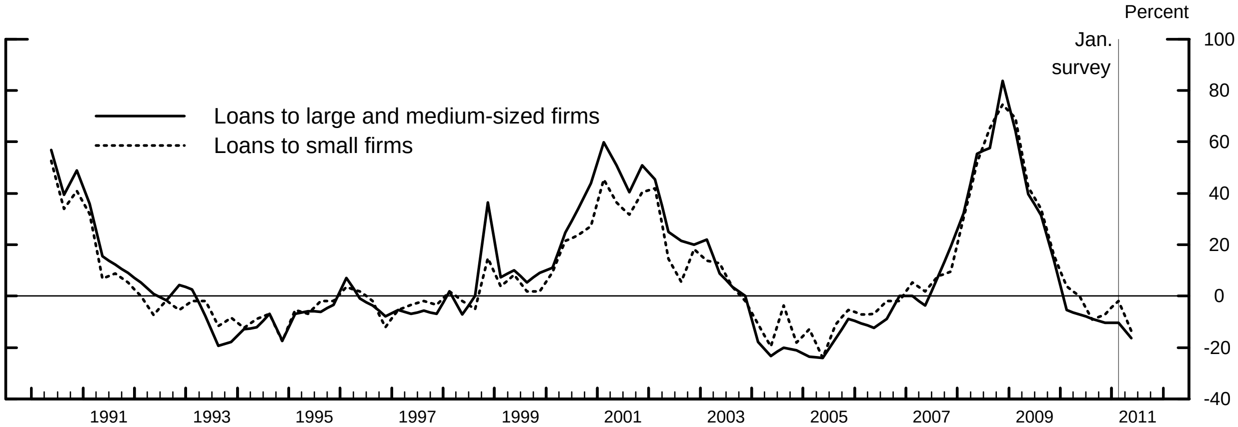
About 25 percent of banks reported that demand for auto loans had strengthened on net. However, banks were somewhat split regarding changes in demand for credit card loans and other consumer loans, and on net they reported little change.

**Special Questions on Changes in Credit Card Applications and in the Overall Credit Quality of Applicants.** The April survey included two special questions about changes in applications for new or increased credit card lines and in the overall credit quality of applicants over the preceding three months.  Only a modest net fraction of banks reported an increase in the number of credit card applications over the past three months.  Moreover, just a small net percentage of banks reported an improvement in the credit quality of individuals or households submitting credit card applications during the same period.

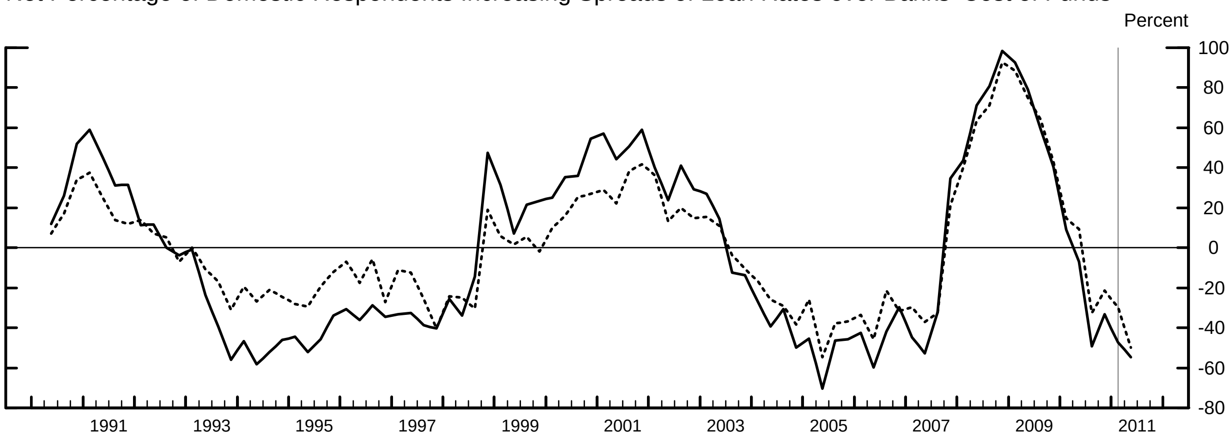
*This document was prepared by Francisco Covas with the assistance of Ben Rump, Division of Monetary Affairs, Board of Governors of the Federal Reserve System.*

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

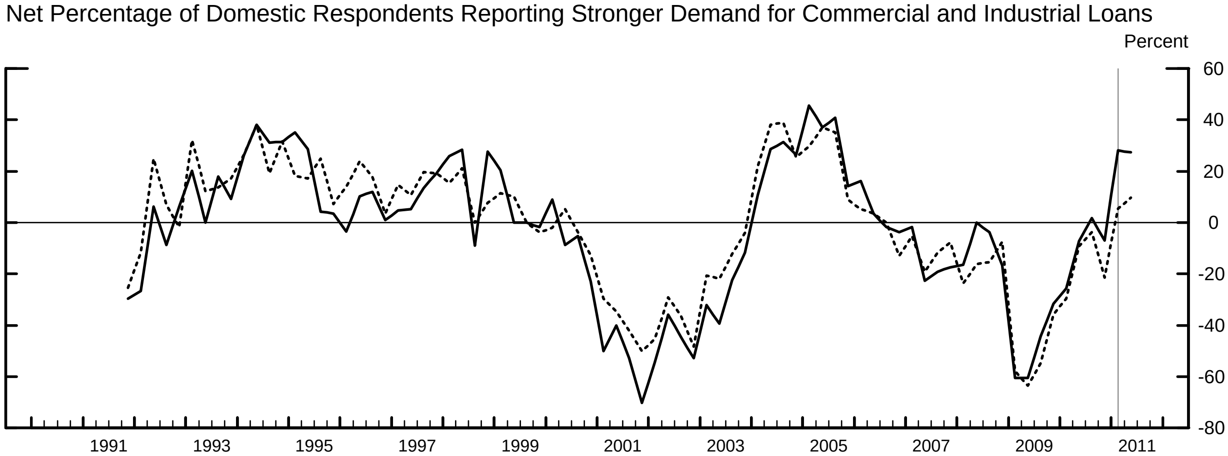
Net Percentage of Domestic Respondents Tightening Standards for Commercial and Industrial Loans




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

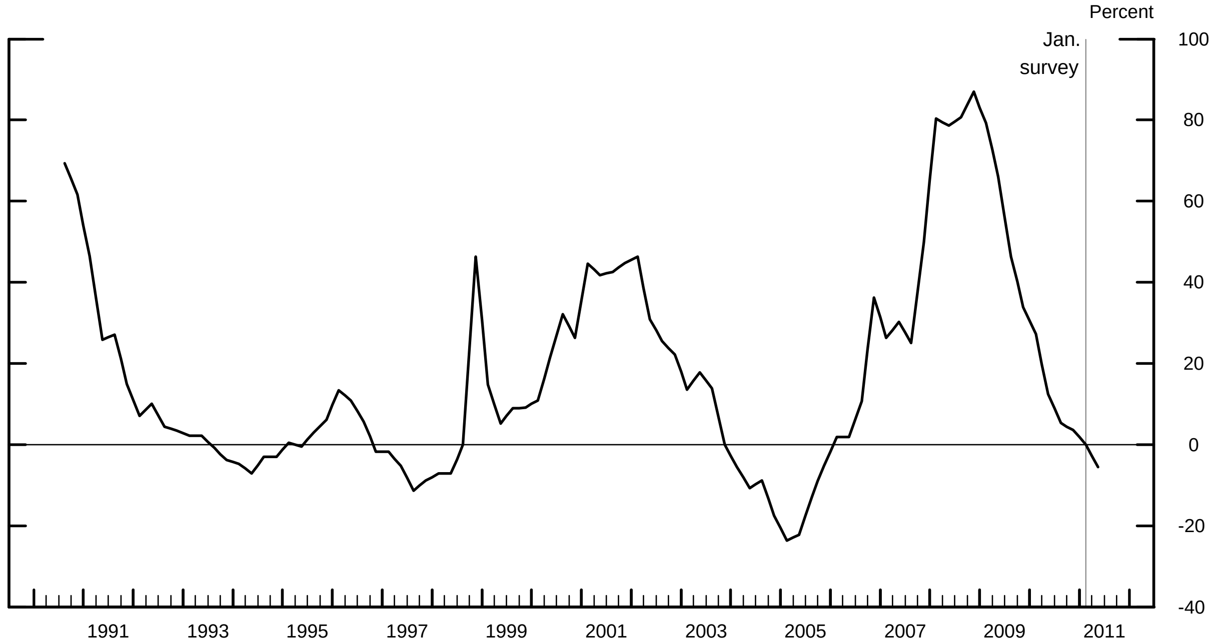



Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans

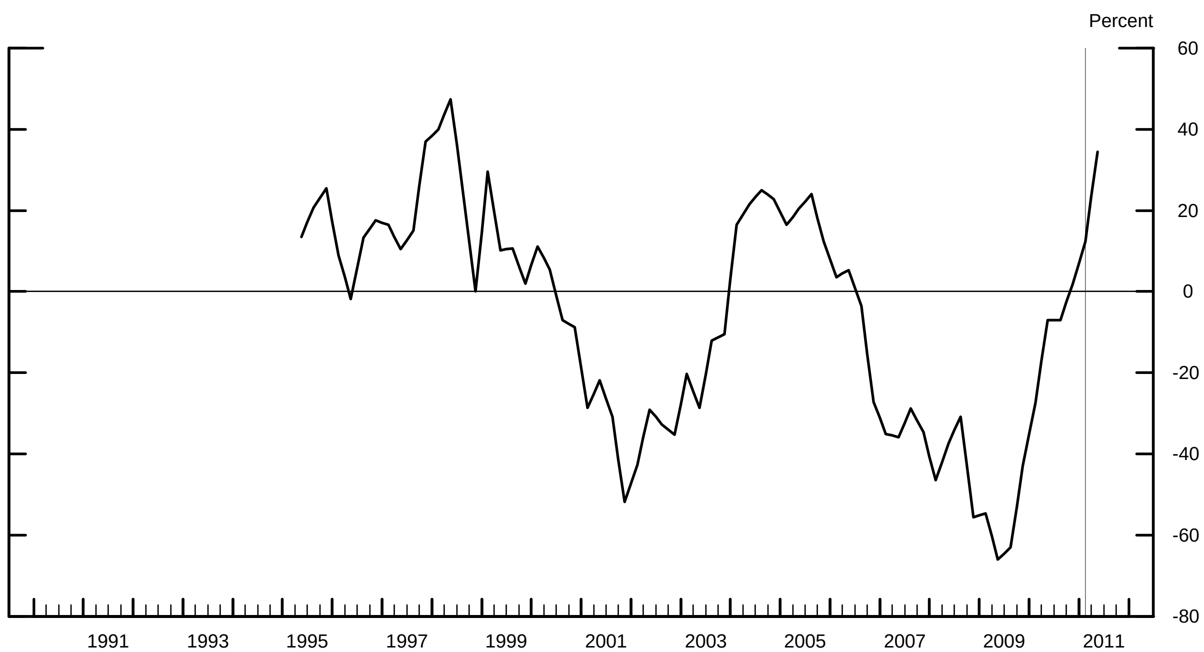


# Measures of Supply and Demand for Commercial Real Estate Loans

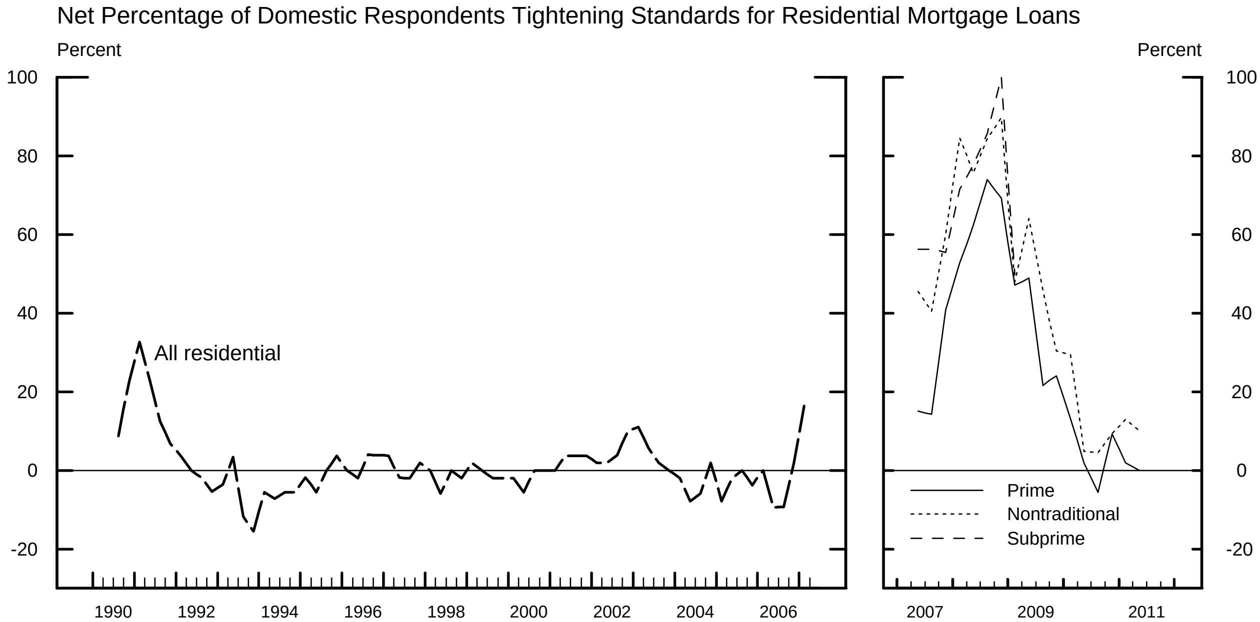
Net Percentage of Domestic Respondents Tightening Standards for Commercial Real Estate Loans



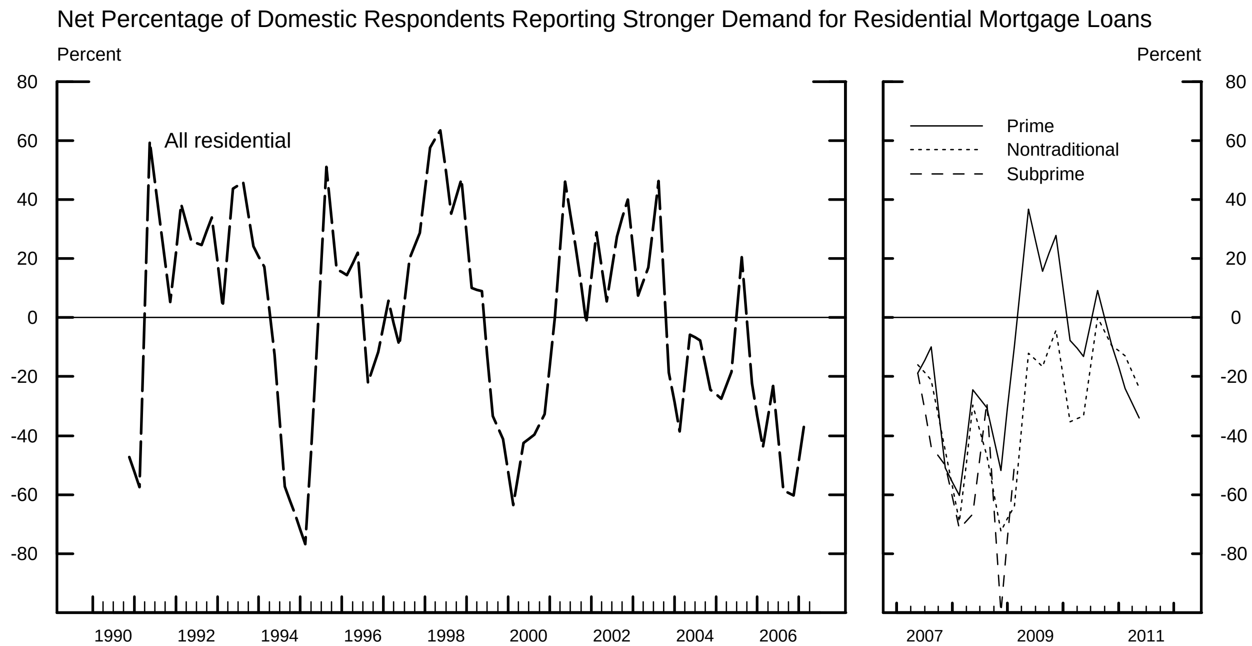

Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial Real Estate Loans



# Measures of Supply and Demand for Residential Mortgage Loans



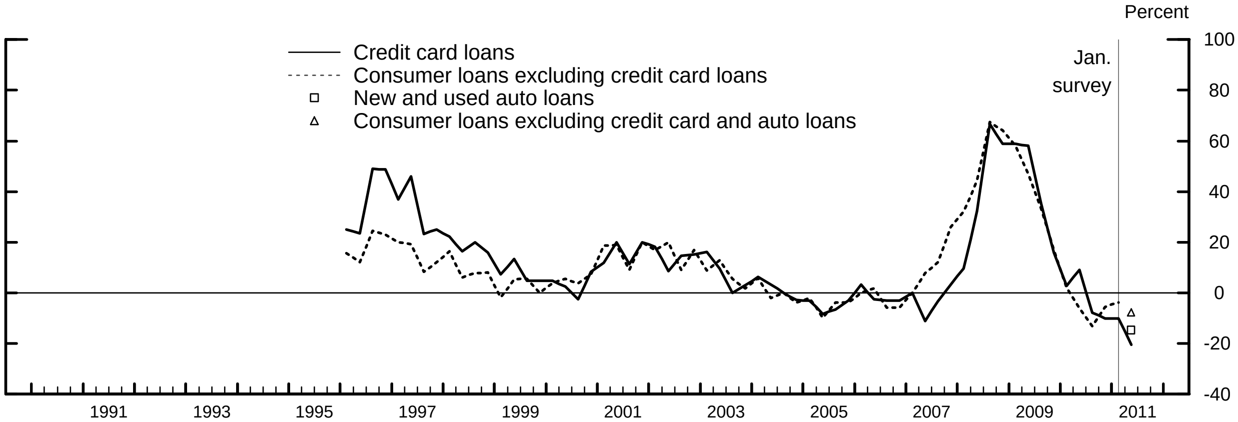

Note: For data starting in 2007:Q2, changes in standards for prime, nontraditional, and subprime mortgage loans are reported separately. Series are not reported when the number of respondents is three or fewer.




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

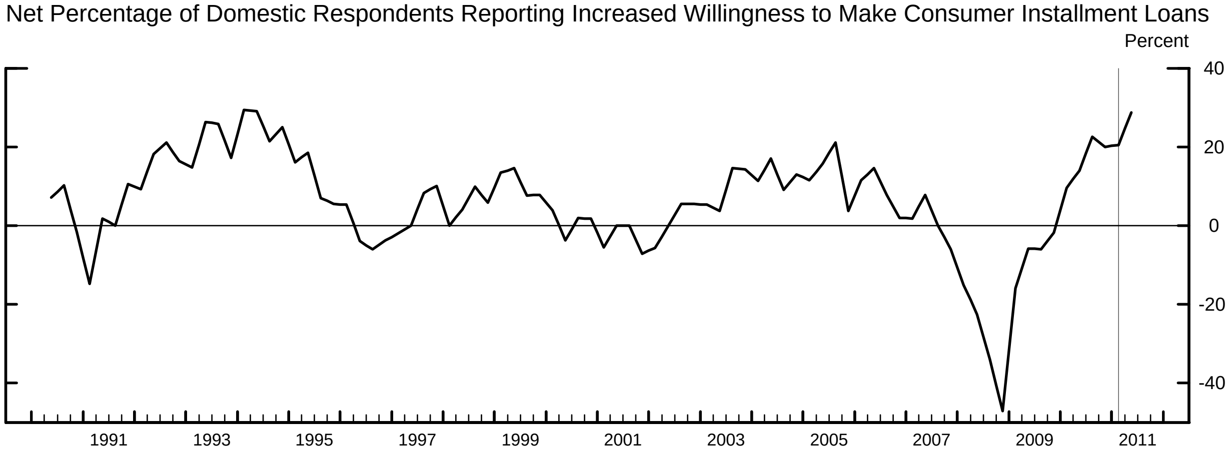
# Measures of Supply and Demand for Consumer Loans

Net Percentage of Domestic Respondents Tightening Standards for Consumer Loans

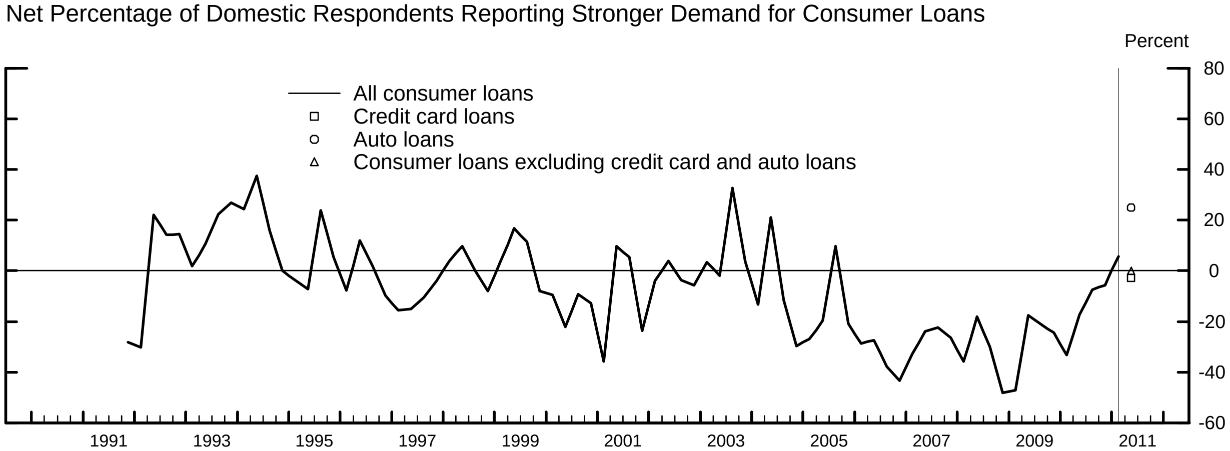



Note: For data starting in 2011:Q2, changes in standards for new auto loans, used auto loans, and consumer loans excluding credit card and auto loans are reported separately. New and used auto loans are equally weighted to calculate the aggregate auto loans series.

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




Net Percentage of Domestic Respondents Reporting Stronger Demand for Consumer Loans




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

Table 1

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

(Status of policy as of April 2011)

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

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

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 46 | 83.6 | 24 | 80.0 | 22 | 88.0 |
| Eased somewhat | 9 | 16.4 | 6 | 20.0 | 3 | 12.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 45 | 86.5 | 23 | 85.2 | 22 | 88.0 |
| Eased somewhat | 7 | 13.5 | 4 | 14.8 | 3 | 12.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

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

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

a. Maximum size of credit lines

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.6 | 0 | 0.0 | 2 | 8.0 |
| Remained basically unchanged | 45 | 81.8 | 23 | 76.7 | 22 | 88.0 |
| Eased somewhat | 8 | 14.5 | 7 | 23.3 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

b. Maximum maturity of loans or credit lines

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 42 | 76.4 | 19 | 63.3 | 23 | 92.0 |
| Eased somewhat | 13 | 23.6 | 11 | 36.7 | 2 | 8.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

c. Costs of credit lines

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 35 | 63.6 | 14 | 46.7 | 21 | 84.0 |
| Eased somewhat | 20 | 36.4 | 16 | 53.3 | 4 | 16.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.8 | 1 | 3.3 | 0 | 0.0 |
| Remained basically unchanged | 23 | 41.8 | 9 | 30.0 | 14 | 56.0 |
| Eased somewhat | 31 | 56.4 | 20 | 66.7 | 11 | 44.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

e. Premiums charged on riskier loans

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.6 | 1 | 3.3 | 1 | 4.0 |
| Remained basically unchanged | 41 | 74.5 | 18 | 60.0 | 23 | 92.0 |
| Eased somewhat | 12 | 21.8 | 11 | 36.7 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

f. Loan covenants

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.6 | 1 | 3.3 | 1 | 4.0 |
| Remained basically unchanged | 39 | 70.9 | 16 | 53.3 | 23 | 92.0 |
| Eased somewhat | 14 | 25.5 | 13 | 43.3 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

g. Collateralization requirements

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.8 | 0 | 0.0 | 1 | 4.0 |
| Remained basically unchanged | 51 | 92.7 | 28 | 93.3 | 23 | 92.0 |
| Eased somewhat | 3 | 5.5 | 2 | 6.7 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 1 | 1.9 | 1 | 3.4 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.7 | 1 | 3.4 | 1 | 4.0 |
| Remained basically unchanged | 31 | 57.4 | 14 | 48.3 | 17 | 68.0 |
| Eased somewhat | 15 | 27.8 | 10 | 34.5 | 5 | 20.0 |
| Eased considerably | 5 | 9.3 | 3 | 10.3 | 2 | 8.0 |
| **Total** | 54 | 100.0 | 29 | 100.0 | 25 | 100.0 |

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

a. Maximum size of credit lines

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.8 | 0 | 0.0 | 2 | 8.0 |
| Remained basically unchanged | 49 | 94.2 | 27 | 100.0 | 22 | 88.0 |
| 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 |

b. Maximum maturity of loans or credit lines

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 44 | 84.6 | 20 | 74.1 | 24 | 96.0 |
| Eased somewhat | 8 | 15.4 | 7 | 25.9 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

c. Costs of credit lines

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 38 | 73.1 | 17 | 63.0 | 21 | 84.0 |
| Eased somewhat | 14 | 26.9 | 10 | 37.0 | 4 | 16.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 1.9 | 1 | 3.7 | 0 | 0.0 |
| Remained basically unchanged | 24 | 46.2 | 8 | 29.6 | 16 | 64.0 |
| Eased somewhat | 27 | 51.9 | 18 | 66.7 | 9 | 36.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

e. Premiums charged on riskier loans

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 3 | 5.8 | 2 | 7.4 | 1 | 4.0 |
| Remained basically unchanged | 43 | 82.7 | 20 | 74.1 | 23 | 92.0 |
| Eased somewhat | 6 | 11.5 | 5 | 18.5 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

f. Loan covenants

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.8 | 1 | 3.7 | 1 | 4.0 |
| Remained basically unchanged | 47 | 90.4 | 24 | 88.9 | 23 | 92.0 |
| Eased somewhat | 3 | 5.8 | 2 | 7.4 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

g. Collateralization requirements

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.8 | 0 | 0.0 | 2 | 8.0 |
| Remained basically unchanged | 47 | 90.4 | 25 | 92.6 | 22 | 88.0 |
| Eased somewhat | 3 | 5.8 | 2 | 7.4 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 1 | 2.0 | 1 | 3.8 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.9 | 1 | 3.8 | 1 | 4.0 |
| Remained basically unchanged | 34 | 66.7 | 15 | 57.7 | 19 | 76.0 |
| Eased somewhat | 11 | 21.6 | 7 | 26.9 | 4 | 16.0 |
| Eased considerably | 3 | 5.9 | 2 | 7.7 | 1 | 4.0 |
| **Total** | 51 | 100.0 | 26 | 100.0 | 25 | 100.0 |

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

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

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 3 | 60.0 | 1 | 50.0 | 2 | 66.7 |
| Somewhat important | 2 | 40.0 | 1 | 50.0 | 1 | 33.3 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |

b. Less favorable or more uncertain economic outlook

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 1 | 20.0 | 1 | 50.0 | 0 | 0.0 |
| Somewhat important | 4 | 80.0 | 1 | 50.0 | 3 | 100.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 2 | 40.0 | 1 | 50.0 | 1 | 33.3 |
| Somewhat important | 3 | 60.0 | 1 | 50.0 | 2 | 66.7 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 4 | 80.0 | 1 | 50.0 | 3 | 100.0 |
| Somewhat important | 1 | 20.0 | 1 | 50.0 | 0 | 0.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |

e. Reduced tolerance for risk

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Somewhat important | 4 | 80.0 | 2 | 100.0 | 2 | 66.7 |
| Very important | 1 | 20.0 | 0 | 0.0 | 1 | 33.3 |
| **Total** | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |

f. Decreased liquidity in the secondary market for these loans

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 1 | 20.0 | 1 | 50.0 | 0 | 0.0 |
| Somewhat important | 2 | 40.0 | 1 | 50.0 | 1 | 33.3 |
| Very important | 2 | 40.0 | 0 | 0.0 | 2 | 66.7 |
| **Total** | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 4 | 80.0 | 1 | 50.0 | 3 | 100.0 |
| Somewhat important | 1 | 20.0 | 1 | 50.0 | 0 | 0.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 1 | 20.0 | 1 | 50.0 | 0 | 0.0 |
| Somewhat important | 3 | 60.0 | 1 | 50.0 | 2 | 66.7 |
| Very important | 1 | 20.0 | 0 | 0.0 | 1 | 33.3 |
| **Total** | 5 | 100.0 | 2 | 100.0 | 3 | 100.0 |

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

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 31 | 86.1 | 20 | 83.3 | 11 | 91.7 |
| Somewhat important | 5 | 13.9 | 4 | 16.7 | 1 | 8.3 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 36 | 100.0 | 24 | 100.0 | 12 | 100.0 |

b. More favorable or less uncertain economic outlook

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 19 | 52.8 | 12 | 50.0 | 7 | 58.3 |
| Somewhat important | 15 | 41.7 | 10 | 41.7 | 5 | 41.7 |
| Very important | 2 | 5.6 | 2 | 8.3 | 0 | 0.0 |
| **Total** | 36 | 100.0 | 24 | 100.0 | 12 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 29 | 82.9 | 19 | 79.2 | 10 | 90.9 |
| Somewhat important | 4 | 11.4 | 3 | 12.5 | 1 | 9.1 |
| Very important | 2 | 5.7 | 2 | 8.3 | 0 | 0.0 |
| **Total** | 35 | 100.0 | 24 | 100.0 | 11 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 2 | 5.4 | 2 | 8.0 | 0 | 0.0 |
| Somewhat important | 16 | 43.2 | 7 | 28.0 | 9 | 75.0 |
| Very important | 19 | 51.4 | 16 | 64.0 | 3 | 25.0 |
| **Total** | 37 | 100.0 | 25 | 100.0 | 12 | 100.0 |

e. Increased tolerance for risk

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 29 | 82.9 | 17 | 73.9 | 12 | 100.0 |
| Somewhat important | 5 | 14.3 | 5 | 21.7 | 0 | 0.0 |
| Very important | 1 | 2.9 | 1 | 4.3 | 0 | 0.0 |
| **Total** | 35 | 100.0 | 23 | 100.0 | 12 | 100.0 |

f. Increased liquidity in the secondary market for these loans

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 23 | 65.7 | 12 | 52.2 | 11 | 91.7 |
| Somewhat important | 11 | 31.4 | 10 | 43.5 | 1 | 8.3 |
| Very important | 1 | 2.9 | 1 | 4.3 | 0 | 0.0 |
| **Total** | 35 | 100.0 | 23 | 100.0 | 12 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 29 | 82.9 | 19 | 82.6 | 10 | 83.3 |
| Somewhat important | 6 | 17.1 | 4 | 17.4 | 2 | 16.7 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 35 | 100.0 | 23 | 100.0 | 12 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 32 | 88.9 | 21 | 87.5 | 11 | 91.7 |
| Somewhat important | 3 | 8.3 | 2 | 8.3 | 1 | 8.3 |
| Very important | 1 | 2.8 | 1 | 4.2 | 0 | 0.0 |
| **Total** | 36 | 100.0 | 24 | 100.0 | 12 | 100.0 |

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

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Substantially stronger | 1 | 1.8 | 1 | 3.3 | 0 | 0.0 |
| Moderately stronger | 18 | 32.7 | 13 | 43.3 | 5 | 20.0 |
| About the same | 32 | 58.2 | 14 | 46.7 | 18 | 72.0 |
| Moderately weaker | 4 | 7.3 | 2 | 6.7 | 2 | 8.0 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 11 | 21.2 | 6 | 22.2 | 5 | 20.0 |
| About the same | 35 | 67.3 | 17 | 63.0 | 18 | 72.0 |
| Moderately weaker | 6 | 11.5 | 4 | 14.8 | 2 | 8.0 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

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

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

a. Customer inventory financing needs increased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 7 | 33.3 | 6 | 40.0 | 1 | 16.7 |
| Somewhat important | 14 | 66.7 | 9 | 60.0 | 5 | 83.3 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 21 | 100.0 | 15 | 100.0 | 6 | 100.0 |

b. Customer accounts receivable financing needs increased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 9 | 42.9 | 7 | 46.7 | 2 | 33.3 |
| Somewhat important | 12 | 57.1 | 8 | 53.3 | 4 | 66.7 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 21 | 100.0 | 15 | 100.0 | 6 | 100.0 |

c. Customer investment in plant or equipment increased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 11 | 52.4 | 8 | 53.3 | 3 | 50.0 |
| Somewhat important | 10 | 47.6 | 7 | 46.7 | 3 | 50.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 21 | 100.0 | 15 | 100.0 | 6 | 100.0 |

d. Customer internally generated funds decreased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 20 | 95.2 | 15 | 100.0 | 5 | 83.3 |
| Somewhat important | 1 | 4.8 | 0 | 0.0 | 1 | 16.7 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 21 | 100.0 | 15 | 100.0 | 6 | 100.0 |

e. Customer merger or acquisition financing needs increased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 9 | 42.9 | 3 | 20.0 | 6 | 100.0 |
| Somewhat important | 8 | 38.1 | 8 | 53.3 | 0 | 0.0 |
| Very important | 4 | 19.0 | 4 | 26.7 | 0 | 0.0 |
| **Total** | 21 | 100.0 | 15 | 100.0 | 6 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 10 | 47.6 | 8 | 53.3 | 2 | 33.3 |
| Somewhat important | 10 | 47.6 | 6 | 40.0 | 4 | 66.7 |
| Very important | 1 | 4.8 | 1 | 6.7 | 0 | 0.0 |
| **Total** | 21 | 100.0 | 15 | 100.0 | 6 | 100.0 |

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

a. Customer inventory financing needs decreased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 1 | 14.3 | 1 | 20.0 | 0 | 0.0 |
| Somewhat important | 5 | 71.4 | 3 | 60.0 | 2 | 100.0 |
| Very important | 1 | 14.3 | 1 | 20.0 | 0 | 0.0 |
| **Total** | 7 | 100.0 | 5 | 100.0 | 2 | 100.0 |

b. Customer accounts receivable financing needs decreased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 1 | 14.3 | 1 | 20.0 | 0 | 0.0 |
| Somewhat important | 6 | 85.7 | 4 | 80.0 | 2 | 100.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 7 | 100.0 | 5 | 100.0 | 2 | 100.0 |

c. Customer investment in plant or equipment decreased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 2 | 28.6 | 2 | 40.0 | 0 | 0.0 |
| Somewhat important | 5 | 71.4 | 3 | 60.0 | 2 | 100.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 7 | 100.0 | 5 | 100.0 | 2 | 100.0 |

d. Customer internally generated funds increased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 2 | 28.6 | 2 | 40.0 | 0 | 0.0 |
| Somewhat important | 5 | 71.4 | 3 | 60.0 | 2 | 100.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 7 | 100.0 | 5 | 100.0 | 2 | 100.0 |

e. Customer merger or acquisition financing needs decreased

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 6 | 85.7 | 4 | 80.0 | 2 | 100.0 |
| Somewhat important | 1 | 14.3 | 1 | 20.0 | 0 | 0.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 7 | 100.0 | 5 | 100.0 | 2 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Not important | 5 | 71.4 | 4 | 80.0 | 1 | 50.0 |
| Somewhat important | 2 | 28.6 | 1 | 20.0 | 1 | 50.0 |
| Very important | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 7 | 100.0 | 5 | 100.0 | 2 | 100.0 |

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

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| The number of inquiries has increased substantially | 1 | 1.8 | 1 | 3.3 | 0 | 0.0 |
| The number of inquiries has increased moderately | 19 | 34.5 | 13 | 43.3 | 6 | 24.0 |
| The number of inquiries has stayed about the same | 33 | 60.0 | 14 | 46.7 | 19 | 76.0 |
| The number of inquiries has decreased moderately | 2 | 3.6 | 2 | 6.7 | 0 | 0.0 |
| The number of inquiries has decreased substantially | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

***Question 7*** *asks about changes in the overall credit quality of potential business borrowers.*

7. Based on inquiries from potential business borrowers and on formal applications for new business loans and credit lines received by your bank, how has the overall credit quality (e.g., projections of cash flows or earnings, debt-to-assets ratios, availability of sufficient collateral, etc.) of large and middle-market firms and of small firms seeking new credit—new or increased credit lines or new term loans—changed over the past three months? (Please consider the average credit quality of applications that were denied as well as those that were approved. If your bank defines firm size differently from the categories suggested below, please use your definitions and indicate what they are.)

A. Overall credit quality of large and middle-market firms (annual sales of $50 million or more) seeking new credit:

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Deteriorated significantly | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Deteriorated somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 24 | 43.6 | 8 | 26.7 | 16 | 64.0 |
| Improved somewhat | 31 | 56.4 | 22 | 73.3 | 9 | 36.0 |
| Improved significantly | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

B. Overall credit quality of small firms (annual sales of less than $50 million) seeking new credit:

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Deteriorated significantly | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Deteriorated somewhat | 1 | 1.9 | 0 | 0.0 | 1 | 4.0 |
| Remained basically unchanged | 31 | 59.6 | 15 | 55.6 | 16 | 64.0 |
| Improved somewhat | 20 | 38.5 | 12 | 44.4 | 8 | 32.0 |
| Improved significantly | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

***Questions 8-9*** *ask about commercial real estate (CRE) loans at your bank, including construction and land development loans and loans secured by nonfarm nonresidential real estate. Question 8 deals with changes in your bank's standards over the past three months. Question 9 deals with changes in demand. If your bank's lending standards or terms have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's standards or terms have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 1 | 1.8 | 0 | 0.0 | 1 | 4.0 |
| Tightened somewhat | 1 | 1.8 | 0 | 0.0 | 1 | 4.0 |
| Remained basically unchanged | 48 | 87.3 | 26 | 86.7 | 22 | 88.0 |
| Eased somewhat | 5 | 9.1 | 4 | 13.3 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

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

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Substantially stronger | 2 | 3.6 | 2 | 6.7 | 0 | 0.0 |
| Moderately stronger | 20 | 36.4 | 16 | 53.3 | 4 | 16.0 |
| About the same | 30 | 54.5 | 12 | 40.0 | 18 | 72.0 |
| Moderately weaker | 3 | 5.5 | 0 | 0.0 | 3 | 12.0 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 55 | 100.0 | 30 | 100.0 | 25 | 100.0 |

***Questions 10-11*** *ask about three categories of* ***residential mortgage loans*** *at your bank—prime residential mortgages, nontraditional residential mortgages, and subprime residential mortgages. Question 10 deals with changes in your bank's credit standards for loans in each of these categories over the past three months. Question 11 deals with changes in demand for loans in each of these categories over the same period. If your bank's credit standards have not changed over the relevant period, please report them as unchanged even if the standards are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

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

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

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

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

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

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.8 | 0 | 0.0 | 2 | 8.3 |
| Remained basically unchanged | 49 | 92.5 | 27 | 93.1 | 22 | 91.7 |
| Eased somewhat | 2 | 3.8 | 2 | 6.9 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 53 | 100.0 | 29 | 100.0 | 24 | 100.0 |

B. Credit standards on mortgage loans that your bank categorizes as nontraditional residential mortgages have:

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 10.0 | 0 | 0.0 | 2 | 40.0 |
| Remained basically unchanged | 18 | 90.0 | 15 | 100.0 | 3 | 60.0 |
| Eased somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 20 | 100.0 | 15 | 100.0 | 5 | 100.0 |

For this question, 33 respondents answered “My bank does not originate nontraditional residential mortgages.”

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

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

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

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Substantially stronger | 1 | 1.9 | 0 | 0.0 | 1 | 4.2 |
| Moderately stronger | 5 | 9.4 | 3 | 10.3 | 2 | 8.3 |
| About the same | 23 | 43.4 | 13 | 44.8 | 10 | 41.7 |
| Moderately weaker | 24 | 45.3 | 13 | 44.8 | 11 | 45.8 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 53 | 100.0 | 29 | 100.0 | 24 | 100.0 |

B. Demand for mortgages that your bank categorizes as nontraditional residential mortgages was:

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 4 | 19.0 | 3 | 20.0 | 1 | 16.7 |
| About the same | 8 | 38.1 | 5 | 33.3 | 3 | 50.0 |
| Moderately weaker | 9 | 42.9 | 7 | 46.7 | 2 | 33.3 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 21 | 100.0 | 15 | 100.0 | 6 | 100.0 |

For this question, 32 respondents answered “My bank does not originate nontraditional residential mortgages.”

C. Demand for mortgages that your bank categorizes as subprime residential mortgages was:

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

***Questions 12-13*** *ask about* ***revolving home equity lines of credit*** *at your bank. Question 12 deals with changes in your bank's credit standards over the past three months. Question 13 deals with changes in demand. If your bank's credit standards have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

12. Over the past three months, how have your bank's credit standards for approving applications for revolving home equity lines of credit changed?

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 1 | 1.9 | 0 | 0.0 | 1 | 4.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 49 | 90.7 | 27 | 93.1 | 22 | 88.0 |
| Eased somewhat | 4 | 7.4 | 2 | 6.9 | 2 | 8.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 54 | 100.0 | 29 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 7 | 13.0 | 1 | 3.4 | 6 | 24.0 |
| About the same | 29 | 53.7 | 16 | 55.2 | 13 | 52.0 |
| Moderately weaker | 17 | 31.5 | 11 | 37.9 | 6 | 24.0 |
| Substantially weaker | 1 | 1.9 | 1 | 3.4 | 0 | 0.0 |
| **Total** | 54 | 100.0 | 29 | 100.0 | 25 | 100.0 |

***Questions 14-23*** *ask about consumer lending at your bank. Question 14 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 15-20 deal with changes in credit standards and loan terms over the same period. Questions 21-23 deal with changes in demand for consumer loans over the past three months. If your bank's lending policies have not changed over the past three months, please report them as unchanged even if the policies are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies as changes in policies.*

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Much more willing | 2 | 3.8 | 1 | 3.7 | 1 | 4.0 |
| Somewhat more willing | 13 | 25.0 | 7 | 25.9 | 6 | 24.0 |
| About unchanged | 37 | 71.2 | 19 | 70.4 | 18 | 72.0 |
| Somewhat less willing | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Much less willing | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 31 | 79.5 | 15 | 65.2 | 16 | 100.0 |
| Eased somewhat | 8 | 20.5 | 8 | 34.8 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 39 | 100.0 | 23 | 100.0 | 16 | 100.0 |

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

A. For loans to purchase new autos:

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 41 | 85.4 | 17 | 70.8 | 24 | 100.0 |
| Eased somewhat | 7 | 14.6 | 7 | 29.2 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 48 | 100.0 | 24 | 100.0 | 24 | 100.0 |

B. For loans to purchase used autos:

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 41 | 85.4 | 17 | 70.8 | 24 | 100.0 |
| Eased somewhat | 7 | 14.6 | 7 | 29.2 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 48 | 100.0 | 24 | 100.0 | 24 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 48 | 92.3 | 24 | 88.9 | 24 | 96.0 |
| Eased somewhat | 4 | 7.7 | 3 | 11.1 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

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

a. Credit limits

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 2.9 | 1 | 5.0 | 0 | 0.0 |
| Remained basically unchanged | 32 | 91.4 | 18 | 90.0 | 14 | 93.3 |
| Eased somewhat | 2 | 5.7 | 1 | 5.0 | 1 | 6.7 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 35 | 100.0 | 20 | 100.0 | 15 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 3 | 8.6 | 2 | 10.0 | 1 | 6.7 |
| Remained basically unchanged | 29 | 82.9 | 16 | 80.0 | 13 | 86.7 |
| Eased somewhat | 3 | 8.6 | 2 | 10.0 | 1 | 6.7 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 35 | 100.0 | 20 | 100.0 | 15 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 2.9 | 1 | 5.0 | 0 | 0.0 |
| Remained basically unchanged | 33 | 94.3 | 18 | 90.0 | 15 | 100.0 |
| Eased somewhat | 1 | 2.9 | 1 | 5.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 35 | 100.0 | 20 | 100.0 | 15 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 33 | 94.3 | 18 | 90.0 | 15 | 100.0 |
| Eased somewhat | 2 | 5.7 | 2 | 10.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 35 | 100.0 | 20 | 100.0 | 15 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 33 | 94.3 | 18 | 90.0 | 15 | 100.0 |
| Eased somewhat | 2 | 5.7 | 2 | 10.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 35 | 100.0 | 20 | 100.0 | 15 | 100.0 |

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

A. For loans to purchase new autos:

a. Maximum maturity

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 43 | 91.5 | 19 | 82.6 | 24 | 100.0 |
| Eased somewhat | 4 | 8.5 | 4 | 17.4 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 47 | 100.0 | 23 | 100.0 | 24 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 1 | 2.1 | 1 | 4.3 | 0 | 0.0 |
| Tightened somewhat | 4 | 8.5 | 4 | 17.4 | 0 | 0.0 |
| Remained basically unchanged | 27 | 57.4 | 10 | 43.5 | 17 | 70.8 |
| Eased somewhat | 15 | 31.9 | 8 | 34.8 | 7 | 29.2 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 47 | 100.0 | 23 | 100.0 | 24 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 44 | 93.6 | 20 | 87.0 | 24 | 100.0 |
| Eased somewhat | 3 | 6.4 | 3 | 13.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 47 | 100.0 | 23 | 100.0 | 24 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 42 | 89.4 | 18 | 78.3 | 24 | 100.0 |
| Eased somewhat | 4 | 8.5 | 4 | 17.4 | 0 | 0.0 |
| Eased considerably | 1 | 2.1 | 1 | 4.3 | 0 | 0.0 |
| **Total** | 47 | 100.0 | 23 | 100.0 | 24 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 2.1 | 1 | 4.3 | 0 | 0.0 |
| Remained basically unchanged | 43 | 91.5 | 19 | 82.6 | 24 | 100.0 |
| Eased somewhat | 3 | 6.4 | 3 | 13.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 47 | 100.0 | 23 | 100.0 | 24 | 100.0 |

f. Other (please specify)

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 1 | 33.3 | 0 | 0.0 | 1 | 50.0 |
| Eased somewhat | 2 | 66.7 | 1 | 100.0 | 1 | 50.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 3 | 100.0 | 1 | 100.0 | 2 | 100.0 |

B. For loans to purchase used autos:

a. Maximum maturity

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 43 | 93.5 | 20 | 87.0 | 23 | 100.0 |
| Eased somewhat | 3 | 6.5 | 3 | 13.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 46 | 100.0 | 23 | 100.0 | 23 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 1 | 2.1 | 1 | 4.3 | 0 | 0.0 |
| Tightened somewhat | 3 | 6.4 | 3 | 13.0 | 0 | 0.0 |
| Remained basically unchanged | 29 | 61.7 | 12 | 52.2 | 17 | 70.8 |
| Eased somewhat | 14 | 29.8 | 7 | 30.4 | 7 | 29.2 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 47 | 100.0 | 23 | 100.0 | 24 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 45 | 95.7 | 21 | 91.3 | 24 | 100.0 |
| Eased somewhat | 2 | 4.3 | 2 | 8.7 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 47 | 100.0 | 23 | 100.0 | 24 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 44 | 93.6 | 20 | 87.0 | 24 | 100.0 |
| Eased somewhat | 3 | 6.4 | 3 | 13.0 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 47 | 100.0 | 23 | 100.0 | 24 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 1 | 2.1 | 1 | 4.3 | 0 | 0.0 |
| Remained basically unchanged | 44 | 93.6 | 20 | 87.0 | 24 | 100.0 |
| Eased somewhat | 2 | 4.3 | 2 | 8.7 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 47 | 100.0 | 23 | 100.0 | 24 | 100.0 |

f. Other (please specify)

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 2 | 50.0 | 0 | 0.0 | 2 | 66.7 |
| Eased somewhat | 2 | 50.0 | 1 | 100.0 | 1 | 33.3 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 4 | 100.0 | 1 | 100.0 | 3 | 100.0 |

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

a. Maximum maturity

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 49 | 94.2 | 25 | 92.6 | 24 | 96.0 |
| Eased somewhat | 3 | 5.8 | 2 | 7.4 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 2 | 3.8 | 2 | 7.4 | 0 | 0.0 |
| Remained basically unchanged | 45 | 86.5 | 21 | 77.8 | 24 | 96.0 |
| Eased somewhat | 5 | 9.6 | 4 | 14.8 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

c. Minimum required down payment

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 50 | 98.0 | 25 | 96.2 | 25 | 100.0 |
| Eased somewhat | 1 | 2.0 | 1 | 3.8 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 51 | 100.0 | 26 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 50 | 96.2 | 26 | 96.3 | 24 | 96.0 |
| Eased somewhat | 2 | 3.8 | 1 | 3.7 | 1 | 4.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 51 | 98.1 | 26 | 96.3 | 25 | 100.0 |
| Eased somewhat | 1 | 1.9 | 1 | 3.7 | 0 | 0.0 |
| Eased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 52 | 100.0 | 27 | 100.0 | 25 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 3 | 8.3 | 2 | 10.0 | 1 | 6.3 |
| About the same | 29 | 80.6 | 16 | 80.0 | 13 | 81.3 |
| Moderately weaker | 4 | 11.1 | 2 | 10.0 | 2 | 12.5 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 36 | 100.0 | 20 | 100.0 | 16 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 15 | 31.3 | 8 | 33.3 | 7 | 29.2 |
| About the same | 30 | 62.5 | 16 | 66.7 | 14 | 58.3 |
| Moderately weaker | 2 | 4.2 | 0 | 0.0 | 2 | 8.3 |
| Substantially weaker | 1 | 2.1 | 0 | 0.0 | 1 | 4.2 |
| **Total** | 48 | 100.0 | 24 | 100.0 | 24 | 100.0 |

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

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Substantially stronger | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderately stronger | 6 | 11.8 | 2 | 7.7 | 4 | 16.0 |
| About the same | 39 | 76.5 | 22 | 84.6 | 17 | 68.0 |
| Moderately weaker | 6 | 11.8 | 2 | 7.7 | 4 | 16.0 |
| Substantially weaker | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 51 | 100.0 | 26 | 100.0 | 25 | 100.0 |

***Questions 24-25*** *ask about changes in applications for new or increased credit card lines and the quality of applicants.*

24. At your bank, apart from normal seasonal variation, how has the number of applications or inquiries from individuals or households for new credit card accounts or increases in existing credit card lines changed over the past three months?

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Increased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Increased somewhat | 9 | 24.3 | 6 | 28.6 | 3 | 18.8 |
| Remained basically unchanged | 25 | 67.6 | 14 | 66.7 | 11 | 68.8 |
| Decreased somewhat | 3 | 8.1 | 1 | 4.8 | 2 | 12.5 |
| Decreased considerably | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| **Total** | 37 | 100.0 | 21 | 100.0 | 16 | 100.0 |

25. At your bank, apart from normal seasonal variation, how has the overall credit quality (e.g., household income, credit scores, etc.) of individuals or households submitting applications or making inquiries for new credit card accounts or increases in existing credit card lines changed over the past three months? (Please consider the average credit quality of applications that were denied as well as those that were approved.)

| | All Respondents | | Large Banks | | Other Banks | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Deteriorated significantly | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Deteriorated somewhat | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Remained basically unchanged | 32 | 88.9 | 18 | 85.7 | 14 | 93.3 |
| Improved somewhat | 3 | 8.3 | 2 | 9.5 | 1 | 6.7 |
| Improved significantly | 1 | 2.8 | 1 | 4.8 | 0 | 0.0 |
| **Total** | 36 | 100.0 | 21 | 100.0 | 15 | 100.0 |

***Question 26*** *asks about the share of loans that financed the purchase of used vehicles.*

26. About what share of the dollar volume of auto loans currently on your bank's books financed the purchase of *used* vehicles by individuals or households?

| | **All Respondents** | | **Large Banks** | | **Other Banks** | |
|---|---|---|---|---|---|---|
| | **Banks** | **Percent** | **Banks** | **Percent** | **Banks** | **Percent** |
| Less than 5 percent | 5 | 11.4 | 2 | 8.7 | 3 | 14.3 |
| Between 5 and 15 percent | 3 | 6.8 | 0 | 0.0 | 3 | 14.3 |
| Between 15 and 30 percent | 4 | 9.1 | 2 | 8.7 | 2 | 9.5 |
| Between 30 and 50 percent | 10 | 22.7 | 6 | 26.1 | 4 | 19.0 |
| Between 50 and 75 percent | 15 | 34.1 | 9 | 39.1 | 6 | 28.6 |
| 75 percent or more | 7 | 15.9 | 4 | 17.4 | 3 | 14.3 |
| **Total** | 44 | 100.0 | 23 | 100.0 | 21 | 100.0 |

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1. The sample is selected from among the largest banks in each Federal Reserve District. In the table, large banks are defined as those with total domestic assets of $20 billion or more as of December 31, 2010. The combined assets of the 30 large banks totaled $6.6 trillion, compared to $6.9 trillion for the entire panel of 55 banks, and $10.5 trillion for all domestically chartered, federally insured commercial banks.

Table 2

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

(Status of policy as of April 2011)

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

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 18 | 81.8 |
| Eased somewhat | 4 | 18.2 |
| Eased considerably | 0 | 0.0 |
| **Total** | 22 | 100.0 |

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

a. Maximum size of credit lines

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

b. Maximum maturity of loans or credit lines

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

c. Costs of credit lines

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 2 | 9.5 |
| Remained basically unchanged | 15 | 71.4 |
| Eased somewhat | 4 | 19.0 |
| Eased considerably | 0 | 0.0 |
| **Total** | 21 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 4.8 |
| Remained basically unchanged | 9 | 42.9 |
| Eased somewhat | 10 | 47.6 |
| Eased considerably | 1 | 4.8 |
| **Total** | 21 | 100.0 |

e. Premiums charged on riskier loans

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 1 | 4.8 |
| Remained basically unchanged | 13 | 61.9 |
| Eased somewhat | 6 | 28.6 |
| Eased considerably | 1 | 4.8 |
| **Total** | 21 | 100.0 |

f. Loan covenants

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 14 | 63.6 |
| Eased somewhat | 8 | 36.4 |
| Eased considerably | 0 | 0.0 |
| **Total** | 22 | 100.0 |

g. Collateralization requirements

| | All Respondents | |
|---|---|---|
| | **Banks** | **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 |

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 15 | 71.4 |
| Eased somewhat | 6 | 28.6 |
| Eased considerably | 0 | 0.0 |
| **Total** | 21 | 100.0 |

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

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

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

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

b. Less favorable or more uncertain economic outlook

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

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

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

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

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

e. Reduced tolerance for risk

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

f. Decreased liquidity in the secondary market for these loans

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

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

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

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

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

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

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 13 | 86.7 |
| Somewhat important | 2 | 13.3 |
| Very important | 0 | 0.0 |
| **Total** | 15 | 100.0 |

b. More favorable or less uncertain economic outlook

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 7 | 46.7 |
| Somewhat important | 8 | 53.3 |
| Very important | 0 | 0.0 |
| **Total** | 15 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 10 | 66.7 |
| Somewhat important | 5 | 33.3 |
| Very important | 0 | 0.0 |
| **Total** | 15 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 2 | 13.3 |
| Somewhat important | 5 | 33.3 |
| Very important | 8 | 53.3 |
| **Total** | 15 | 100.0 |

e. Increased tolerance for risk

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 12 | 80.0 |
| Somewhat important | 2 | 13.3 |
| Very important | 1 | 6.7 |
| **Total** | 15 | 100.0 |

f. Increased liquidity in the secondary market for these loans

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 11 | 73.3 |
| Somewhat important | 3 | 20.0 |
| Very important | 1 | 6.7 |
| **Total** | 15 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 14 | 93.3 |
| Somewhat important | 1 | 6.7 |
| Very important | 0 | 0.0 |
| **Total** | 15 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | Banks | Percent |
| Not important | 15 | 100.0 |
| Somewhat important | 0 | 0.0 |
| Very important | 0 | 0.0 |
| **Total** | 15 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | Banks | Percent |
| Substantially stronger | 0 | 0.0 |
| Moderately stronger | 4 | 19.0 |
| About the same | 16 | 76.2 |
| Moderately weaker | 1 | 4.8 |
| Substantially weaker | 0 | 0.0 |
| **Total** | 21 | 100.0 |

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

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

a. Customer inventory financing needs increased

| | All Respondents | |
|---|---|---|
| | Banks | Percent |
| Not important | 2 | 50.0 |
| Somewhat important | 1 | 25.0 |
| Very important | 1 | 25.0 |
| **Total** | 4 | 100.0 |

b. Customer accounts receivable financing needs increased

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

c. Customer investment in plant or equipment increased

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 2 | 50.0 |
| Somewhat important | 2 | 50.0 |
| Very important | 0 | 0.0 |
| **Total** | 4 | 100.0 |

d. Customer internally generated funds decreased

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

e. Customer merger or acquisition financing needs increased

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Not important | 1 | 25.0 |
| Somewhat important | 1 | 25.0 |
| Very important | 2 | 50.0 |
| **Total** | 4 | 100.0 |

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

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

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

a. Customer inventory financing needs decreased

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

b. Customer accounts receivable financing needs decreased

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

c. Customer investment in plant or equipment decreased

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

d. Customer internally generated funds increased

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

e. Customer merger or acquisition financing needs decreased

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

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

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

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| The number of inquiries has increased substantially | 0 | 0.0 |
| The number of inquiries has increased moderately | 9 | 42.9 |
| The number of inquiries has stayed about the same | 12 | 57.1 |
| The number of inquiries has decreased moderately | 0 | 0.0 |
| The number of inquiries has decreased substantially | 0 | 0.0 |
| **Total** | 21 | 100.0 |

***Question 7*** *asks about changes in the overall credit quality of potential business borrowers.*

7. Based on inquiries from potential business borrowers and on formal applications for new business loans and credit lines received by your bank, how has the overall credit quality (e.g., projections of cash flows or earnings, debt-to-assets ratios, availability of sufficient collateral, etc.) of potential business borrowers seeking new credit—new or increased credit lines or new term loans—changed over the past three months? (Please consider the average credit quality of applications that were denied as well as those that were approved.)

| | **All Respondents** | |
|---|---|---|
| | **Banks** | **Percent** |
| Deteriorated significantly | 0 | 0.0 |
| Deteriorated somewhat | 1 | 4.5 |
| Remained basically unchanged | 14 | 63.6 |
| Improved somewhat | 7 | 31.8 |
| Improved significantly | 0 | 0.0 |
| **Total** | 22 | 100.0 |

***Questions 8-9*** *ask about commercial real estate (CRE) loans at your bank, including construction and land development loans and loans secured by nonfarm nonresidential real estate. Question 8 deals with changes in your bank's standards over the past three months. Question 9 deals with changes in demand. If your bank's lending standards or terms have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's standards or terms have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Tightened considerably | 0 | 0.0 |
| Tightened somewhat | 0 | 0.0 |
| Remained basically unchanged | 10 | 83.3 |
| Eased somewhat | 2 | 16.7 |
| Eased considerably | 0 | 0.0 |
| **Total** | 12 | 100.0 |

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

| | All Respondents | |
|---|---|---|
| | **Banks** | **Percent** |
| Substantially stronger | 1 | 8.3 |
| Moderately stronger | 2 | 16.7 |
| About the same | 7 | 58.3 |
| Moderately weaker | 2 | 16.7 |
| Substantially weaker | 0 | 0.0 |
| **Total** | 12 | 100.0 |

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1. As of December 31, 2010, the 22 respondents had combined assets of $1.0 trillion, compared to $1.9 trillion for all foreign related banking institutions in the United States. The sample is selected from among the largest foreign-related banking institutions in those Federal Reserve Districts where such institutions are common.