

**SENIOR CREDIT OFFICER OPINION SURVEY**  
**On Market Practices Relating to**  
**Securities Financing Transactions and Over-the-Counter Derivative Contracts**

### Counterparty Types

Questions 1 through 17 ask about credit terms applicable to different counterparty types across the entire range of securities financing and over-the-counter derivatives transactions, why these may have changed, and expectations for the future. In some questions, the survey differentiates between the compensation demanded for bearing credit risk (“price terms”) and the contractual provisions used to mitigate exposures (“non-price terms”). Questions 1 and 2 focus on dealers and other financial intermediaries as counterparties; questions 3 through 7 on hedge funds, private equity firms, and other similar private pools of capital; questions 8 through 12 on insurance companies, pension funds, and other institutional investors; and questions 13 through 17 on transactions involving non-financial corporations. If your institution’s terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies regarding terms as changes in policies. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in your response to Question 47. Where material differences exist across different business areas, for example between traditional prime brokerage and over-the-counter derivatives, please answer with regard to the business area generating the most exposure and explain in your response to Question 47.

### Dealers and Other Financial Intermediaries

1. Over the past three months, how has the amount of resources and attention your firm devotes to management of concentrated credit exposure to other dealers and other financial intermediaries changed?
  - 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  
2. Over the past three months, how has the volume of mark and collateral disputes with dealers and other financial intermediaries changed?
  - 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable

Hedge Funds, Private Equity Firms and Other Similar Private Pools of Capital

3. Over the past three months, how have the price terms (for example, financing rates) offered to hedge funds, private equity firms, and other similar private pools of capital as reflected across the entire spectrum of securities financing and over-the-counter derivatives transaction types changed, regardless of non-price terms?
  - 1) Tightened considerably
  - 2) Tightened somewhat
  - 3) Remained basically unchanged
  - 4) Loosened somewhat
  - 5) Loosened considerably
  
4. Over the past three months, how has your use of non-price terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions or other documentation features) with respect to hedge funds, private equity firms, and other similar private pools of capital across the entire spectrum of securities financing and over-the-counter derivatives transaction types changed, regardless of price terms?
  - 1) Tightened considerably
  - 2) Tightened somewhat
  - 3) Remained basically unchanged
  - 4) Loosened somewhat
  - 5) Loosened considerably
  
5. To the extent that the price or non-price terms applied to hedge funds, private equity firms, and other similar private pools of capital have tightened or eased over the past three months (as reflected in your responses to questions 3 and 4), how important have been each of the following possible reasons for the change? (Please respond to either A, B, or both as appropriate and rate each possible reason using the following scale: 1 = very important, 2 = somewhat important, 3 = not important.)
  - A. Possible reasons for tightening:
    - 1) Deterioration in current or expected financial strength of counterparties
    - 2) Reduced willingness of your institution to take on risk
    - 3) Adoption of more stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
    - 4) Higher internal treasury charges for funding
    - 5) Diminished availability of balance sheet or capital at your institution
    - 6) Worsening in general market liquidity and functioning
    - 7) Less aggressive competition from other institutions
    - 8) Other (please specify)

B. Possible reasons for easing:

- 1) Improvement in current or expected financial strength of counterparties
  - 2) Increased willingness of your institution to take on risk
  - 3) Adoption of less stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
  - 4) Lower internal treasury charges for funding
  - 5) Increased availability of balance sheet or capital at your institution
  - 6) Improvement in general market liquidity and functioning
  - 7) More aggressive competition from other institutions
  - 8) Other (please specify)
6. How has the intensity of efforts by hedge funds, private equity firms, and other similar private pools of capital to negotiate more favorable price and non-price terms changed over the past three months?
- 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
7. Looking forward over the next three months, and assuming that economic activity progresses in line with consensus forecasts, how do you expect the price and non-price terms under which you transact with hedge funds, private equity firms, and other similar private pools of capital across the entire spectrum of securities financing and over-the-counter derivatives transactions to change?
- 1) Price and non-price terms are likely to tighten considerably
  - 2) Price and non-price terms are likely to tighten somewhat
  - 3) Price and non-price terms are likely to remain basically unchanged
  - 4) Price and non-price terms are likely to loosen somewhat
  - 5) Price and non-price terms are likely to loosen considerably

Insurance Companies, Pension Funds, and Other Institutional Investors

8. Over the past three months, how have the price terms (for example, financing rates) offered to insurance companies, pension funds, and other institutional investors as reflected across the entire spectrum of securities financing and over-the-counter derivatives transaction types changed, regardless of non-price terms?
  - 1) Tightened considerably
  - 2) Tightened somewhat
  - 3) Remained basically unchanged
  - 4) Loosened somewhat
  - 5) Loosened considerably
  
9. Over the past three months, how has your use of non-price terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions or other documentation features) with respect to insurance companies, pension funds, and other institutional investors across the entire spectrum of securities financing and over-the-counter derivatives transaction types changed, regardless of price terms?
  - 1) Tightened considerably
  - 2) Tightened somewhat
  - 3) Remained basically unchanged
  - 4) Loosened somewhat
  - 5) Loosened considerably
  
10. To the extent that the price or non-price terms applied to insurance companies, pension funds, and other institutional investors have tightened or eased over the past three months (as reflected in your responses to questions 8 and 9), how important have been each of the following possible reasons for the change? (Please respond to either A, B, or both as appropriate and rate each possible reason using the following scale: 1 = very important, 2 = somewhat important, 3 = not important.)
  - A. Possible reasons for tightening:
    - 1) Deterioration in current or expected financial strength of counterparties
    - 2) Reduced willingness of your institution to take on risk
    - 3) Adoption of more stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
    - 4) Higher internal treasury charges for funding
    - 5) Diminished availability of balance sheet or capital at your institution
    - 6) Worsening in general market liquidity and functioning
    - 7) Less aggressive competition from other institutions
    - 8) Other (please specify)

B. Possible reasons for easing:

- 1) Improvement in current or expected financial strength of counterparties
- 2) Increased willingness of your institution to take on risk
- 3) Adoption of less stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
- 4) Lower internal treasury charges for funding
- 5) Increased availability of balance sheet or capital at your institution
- 6) Improvement in general market liquidity and functioning
- 7) More aggressive competition from other institutions
- 8) Other (please specify)

11. How has the intensity of efforts by insurance companies, pension funds, and other institutional investors to negotiate more favorable price and non-price terms changed over the past three months?

- 1) Increased considerably
- 2) Increased somewhat
- 3) Remained basically unchanged
- 4) Decreased somewhat
- 5) Decreased considerably

12. Looking forward over the next three months, and assuming that economic activity progresses in line with consensus forecasts, how do you expect the price and non-price terms under which you transact with insurance companies, pension funds, and other institutional investors across the entire spectrum of securities financing and over-the-counter derivatives transactions to change?

- 1) Price and non-price terms are likely to tighten considerably
- 2) Price and non-price terms are likely to tighten somewhat
- 3) Price and non-price terms are likely to remain basically unchanged
- 4) Price and non-price terms are likely to loosen somewhat
- 5) Price and non-price terms are likely to loosen considerably

Non-financial Corporations

13. Over the past three months, how have the price terms (for example, financing rates) offered to non-financial corporations as reflected across the entire spectrum of over-the-counter derivatives transaction types changed, regardless of non-price terms?
- 1) Tightened considerably
  - 2) Tightened somewhat
  - 3) Remained basically unchanged
  - 4) Loosened somewhat
  - 5) Loosened considerably
14. Over the past three months, how has your use of non-price terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions or other documentation features) with respect to non-financial corporations across the entire spectrum of securities financing and over-the-counter derivatives transaction types changed, regardless of price terms?
- 1) Tightened considerably
  - 2) Tightened somewhat
  - 3) Remained basically unchanged
  - 4) Loosened somewhat
  - 5) Loosened considerably
15. To the extent that the price or non-price terms applied to non-financial corporations have tightened or eased over the past three months (as reflected in your responses to questions 13 and 14), how important have been each of the following possible reasons in driving the change? (Please respond to either A, B, or both as appropriate and rate each possible reason using the following scale: 1 = very important, 2 = somewhat important, 3 = not important.)
- A. Possible reasons for tightening:
- 1) Deterioration in current or expected financial strength of counterparties
  - 2) Reduced willingness of your institution to take on risk
  - 3) Adoption of more stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
  - 4) Higher internal treasury charges for funding
  - 5) Diminished availability of balance sheet or capital at your institution
  - 6) Worsening in general market liquidity and functioning
  - 7) Less aggressive competition from other institutions
  - 8) Other (please specify)

B. Possible reasons for easing:

- 1) Improvement in current or expected financial strength of counterparties
- 2) Increased willingness of your institution to take on risk
- 3) Adoption of less stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
- 4) Lower internal treasury charges for funding
- 5) Increased availability of balance sheet or capital at your institution
- 6) Improvement in general market liquidity and functioning
- 7) More aggressive competition from other institutions
- 8) Other (please specify)

16. How has the intensity of efforts by non-financial corporations to negotiate more favorable price and non-price terms changed over the past three months?

- 1) Increased considerably
- 2) Increased somewhat
- 3) Remained basically unchanged
- 4) Decreased somewhat
- 5) Decreased considerably

17. Looking forward over the next three months, and assuming that economic activity progresses in line with consensus forecasts, how do you expect the price and non-price terms under which you transact with non-financial corporations across the entire spectrum of over-the-counter derivatives transactions to change?

- 1) Price and non-price terms are likely to tighten considerably
- 2) Price and non-price terms are likely to tighten somewhat
- 3) Price and non-price terms are likely to remain basically unchanged
- 4) Price and non-price terms are likely to loosen somewhat
- 5) Price and non-price terms are likely to loosen considerably

## **Over-the-Counter Derivatives**

Questions 18 through 29 ask about over-the-counter derivatives trades. Questions 18 and 19 focus on trades with Foreign Exchange (“FX”) as the underlying; questions 20 and 21 on trades with interest rates (“IR”) as the underlying; questions 22 and 23 on trades with equities as the underlying; questions 24 and 25 on trades with debt securities as the underlying (including contracts referencing MBS and ABS); questions 26 and 27 on trades with commodities as the underlying; and questions 28 and 29 on total return swaps with non-securities such as bank debt and whole loans as the underlying. If your institution’s terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies regarding terms as changes in terms. Please respond “not applicable” to questions dealing with business areas in which you do not conduct material activities. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in your response to Question 47.

### Foreign Exchange

18. Over the past three months, how have non-price terms associated with over-the-counter FX derivatives changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, n/a = not applicable.)
  - A. For “vanilla” FX derivatives (that is derivatives using ISDA short-form confirmations and definitions):
    - a. Initial margin
    - b. Requirements, timelines, and thresholds for posting additional margin
    - c. Maximum maturity
    - d. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate agreements are in place)
    - e. Triggers and covenants
    - f. Other documentation features (including cure periods and cross-default provisions)
    - g. Other (please specify)



- B. For highly customized FX derivatives (that is derivatives negotiated bilaterally and using long-form confirmations):
    - a. Initial margin
    - b. Requirements, timelines, and thresholds for posting additional margin
    - c. Maximum maturity
    - d. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate agreements are in place)
    - e. Triggers and covenants
    - f. Other documentation features (including cure periods and cross-default provisions)
    - g. Other (please specify)
19. Over the past three months, how has the volume of mark and collateral disputes with clients related to FX derivatives changed?
- 7) Increased considerably
  - 8) Increased somewhat
  - 9) Remained basically unchanged
  - 10) Decreased somewhat
  - 11) Decreased considerably
  - 12) Not applicable

### Interest Rates

20. Over the past three months, how have non-price terms associated with over-the-counter interest rate derivatives changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, n/a = not applicable.)
- A. For “vanilla” IR derivatives (that is derivatives using ISDA short-form confirmations and definitions):
    - a. Initial margin
    - b. Requirements, timelines, and thresholds for posting additional margin
    - c. Maximum maturity
    - d. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)
    - e. Triggers and covenants
    - f. Other documentation features (including cure periods and cross-default provisions)
    - g. Other (please specify)

- B. For highly customized IR derivatives (that is derivatives negotiated bilaterally and using long-form confirmations):
    - a. Initial margin
    - b. Requirements, timelines, and thresholds for posting additional margin
    - c. Maximum maturity
    - d. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)
    - e. Triggers and covenants
    - f. Other documentation features (including cure periods and cross-default provisions)
    - g. Other (please specify)
21. Over the past three months, how has the volume of mark and collateral disputes with clients related to interest rate derivatives changed?
- 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable

### Equities

22. Over the past three months, how have non-price terms associated with over-the-counter equity derivatives changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, n/a = not applicable.)
- A. For “vanilla” equity derivatives (that is derivatives using ISDA short-form confirmations and definitions):
    - a. Initial margin
    - b. Requirements, timelines, and thresholds for posting additional margin
    - c. Maximum maturity
    - d. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)
    - e. Triggers and covenants
    - f. Other documentation features (including cure periods and cross-default provisions)
    - g. Other (please specify)

- B. For highly customized equity derivatives (that is derivatives negotiated bilaterally and using long-form confirmations):
    - a. Initial margin
    - b. Requirements, timelines, and thresholds for posting additional margin
    - c. Maximum maturity
    - d. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)
    - e. Triggers and covenants
    - f. Other documentation features (including cure periods and cross-default provisions)
    - g. Other (please specify)
23. Over the past three months, how has the volume of mark and collateral disputes with clients related to equity derivatives changed?
- 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable

### Credit

24. Over the past three months, how have non-price terms associated with over-the-counter credit derivatives referencing debt securities (including contracts referencing MBS or ABS) changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, n/a = not applicable.)
- A. For “vanilla” credit derivatives (that is derivatives using ISDA short-form confirmations and definitions):
    - a. Initial margin
    - b. Requirements, timelines, and thresholds for posting additional margin
    - c. Maximum maturity
    - d. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)
    - e. Triggers and covenants
    - f. Other documentation features (including cure periods and cross-default provisions)
    - g. Other (please specify)

- B. For highly customized credit derivatives (that is derivatives negotiated bilaterally and using long-form confirmations):
    - a. Initial margin
    - b. Requirements, timelines, and thresholds for posting additional margin
    - c. Maximum maturity
    - d. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)
    - e. Triggers and covenants
    - f. Other documentation features (including cure periods and cross-default provisions)
    - g. Other (please specify)
25. Over the past three months, how has the volume of mark and collateral disputes with clients related to credit derivatives changed?
- 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable

### Commodities

26. Over the past three months, how have non-price terms associated with over-the-counter commodity derivatives changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, n/a = not applicable.)
- A. For “vanilla” commodity derivatives (that is derivatives using ISDA short-form confirmations and definitions):
    - a. Initial margin
    - b. Requirements, timelines, and thresholds for posting additional margin
    - c. Maximum maturity
    - d. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)
    - e. Triggers and covenants
    - f. Other documentation features (including cure periods and cross-default provisions)
    - g. Other (please specify)

- B. For highly customized commodity derivatives (that is derivatives negotiated bilaterally and using long-form confirmations):
  - a. Initial margin
  - b. Requirements, timelines, and thresholds for posting additional margin
  - c. Maximum maturity
  - d. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)
  - e. Triggers and covenants
  - f. Other documentation features (including cure periods and cross-default provisions)
  - g. Other (please specify)

27. Over the past three months, how has the volume of mark and collateral disputes with clients related to commodity derivatives changed?
- 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable

Total Return Swaps Referencing Non-Securities (such as Bank Debt and Whole Loans)

28. Over the past three months, how have non-price terms associated with total return swaps referencing non-securities (such as bank debt and whole loans) changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, n/a = not applicable.)
- a. Range of acceptable reference assets (for example requirements with regard to credit quality and liquidity)
  - b. Initial margin
  - c. Requirements, timelines, and thresholds for posting additional margin
  - d. Maximum maturity/tenor
  - e. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)
  - f. Triggers and covenants
  - g. Other documentation features (including cure periods and cross-default provisions)
  - h. Other (please specify)

29. Over the past three months, how has the volume of mark and collateral disputes with clients related to total return swaps referencing non-securities changed?

- 1) Increased considerably
- 2) Increased somewhat
- 3) Remained basically unchanged
- 4) Decreased somewhat
- 5) Decreased considerably
- 6) Not applicable

## **Securities Financing**

Questions 30 through 46 ask about securities funding at your institution – that is, lending to clients collateralized by securities. Such activities may be conducted on a “repo” desk, on a trading desk engaged in facilitation for institutional clients and/or proprietary transactions, on a funding desk, or on a prime brokerage platform. Questions 30 through 34 focus on lending against high-grade corporate bonds; questions 35 and 36 on lending against equities (including stock loan); questions 37 through 41 on lending against agency mortgage-backed Securities (“agency MBS”); and questions 42 through 46 on lending against other asset-backed securities (“ABS”). If your institution’s terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies regarding terms as changes in terms. Please respond “n/a” to questions dealing with business areas in which you do not conduct material activities. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in your response to Question 47.

### High-Grade Corporate Bonds

30. Over the past three months, how have the terms under which high-grade corporate bonds are funded changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, n/a = not applicable.)

- A. Terms for average clients:
  - a. Maximum amount of funding
  - b. Maximum maturity
  - c. Haircuts
  - d. Financing rate
  - e. Requirements, timelines, and thresholds for posting additional collateral or margin
  - f. Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)
  - g. Covenants and triggers
  - h. Other (please specify)

- B. Terms for most favored clients, as a consequence of breadth, duration and/or extent of relationship:
- a. Maximum amount of funding
  - b. Maximum maturity
  - c. Haircuts
  - d. Financing rate
  - e. Requirements, timelines, and thresholds for posting additional collateral or margin
  - f. Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)
  - g. Covenants and triggers
  - h. Other (please specify)
31. In some cases, an institution provides financing on more favorable terms when it has played a role in bringing the issue being financed to market, for example as an underwriter. Over the past three months, how has the amount of such “vendor financing” provided for high-grade corporate bonds by your institution changed?
- 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable
32. Over the past three months, how has demand for funding of high-grade corporate bonds by your institution’s clients changed?
- 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable
33. Over the past three months, how has the volume of mark and collateral disputes with clients related to the funding of high-grade corporate bonds changed?
- 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable

34. Over the past three months, how have liquidity and functioning in the high-grade corporate bond market changed?<sup>1</sup>
- 1) Improved considerably
  - 2) Improved somewhat
  - 3) Remained basically unchanged
  - 4) Deteriorated somewhat
  - 5) Deteriorated considerably
  - 6) Not applicable

Equities (including Stock Loan)

35. Over the past three months, how have the terms under which equities are funded (including through stock loan) changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, n/a = not applicable.)

A. Terms for average clients:

- a. Maximum amount of funding
- b. Maximum maturity
- c. Haircuts
- d. Financing rate
- e. Requirements, timelines, and thresholds for posting additional collateral or margin
- f. Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)
- g. Covenants and triggers
- h. Other (please specify)

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

- a. Maximum amount of funding
- b. Maximum maturity
- c. Haircuts
- d. Financing rate
- e. Requirements, timelines, and thresholds for posting additional collateral or margin
- f. Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)
- g. Covenants and triggers
- h. Other (please specify)

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

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<sup>1</sup> Please report changes in liquidity and functioning in the market for underlying collateral, not in the funding market.



- 1) Increased considerably
- 2) Increased somewhat
- 3) Remained basically unchanged
- 4) Decreased somewhat
- 5) Decreased considerably
- 6) Not applicable

Agency Residential Mortgage-backed Securities

37. Over the past three months, how have the terms under which agency RMBS are funded changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, n/a = not applicable.)

A. Terms for average clients:

- a. Maximum amount of funding
- b. Maximum maturity
- c. Haircuts
- d. Financing rate
- e. Requirements, timelines, and thresholds for posting additional collateral or margin
- f. Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)
- g. Covenants and triggers
- h. Other (please specify)

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

- a. Maximum amount of funding
- b. Maximum maturity
- c. Haircuts
- d. Financing rate
- e. Requirements, timelines, and thresholds for posting additional collateral or margin
- f. Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)
- g. Covenants and triggers
- h. Other (please specify)

38. In some cases, an institution provides financing on more favorable terms when it has played a role in bringing the issue being financed to market, for example as an underwriter. Over the past three months, how has the amount of such “vendor financing” provided by your institution for agency RMBS changed?

- 1) Increased considerably
- 2) Increased somewhat
- 3) Remained basically unchanged

- 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable
39. Over the past three months, how has demand for funding of agency RMBS by your institution's clients changed?
- 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable
40. Over the past three months, how has the volume of mark and collateral disputes with clients related to the funding of agency RMBS changed?
- 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable
41. Over the past three months, how have liquidity and functioning in the agency RMBS market changed?<sup>2</sup>
- 1) Improved considerably
  - 2) Improved somewhat
  - 3) Remained basically unchanged
  - 4) Deteriorated somewhat
  - 5) Deteriorated considerably
  - 6) Not applicable

#### Other Asset-Backed Securities

42. Over the past three months, how have the terms under which non-agency ABS will be funded changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, n/a = not applicable.) Where material differences exist across different types of non-agency ABS, for example between non-agency RMBS and consumer ABS, please answer with regard to the type of instrument generating the most exposure and explain in your response to Question 47.

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<sup>2</sup> Please report changes in liquidity and functioning in the market for underlying collateral, not in the funding market.

Terms for average clients:

- a. Maximum amount of funding
- b. Maximum maturity
- c. Haircuts
- d. Financing rate
- e. Requirements, timelines, and thresholds for posting additional collateral or margin
- f. Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)
- g. Covenants and triggers
- h. Other (please specify)

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

- a. Maximum amount of funding
- b. Maximum maturity
- c. Haircuts
- d. Financing rate
- e. Requirements, timelines, and thresholds for posting additional collateral or margin
- f. Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)
- g. Covenants and triggers
- h. Other (please specify)

43. In some cases, an institution provides financing on more favorable terms when it has played a role in bringing the issue being financed to market, for example as an underwriter. Over the past three months, how has the amount of such “vendor financing” provided for non-agency ABS by your institution changed?

- 1) Increased considerably
- 2) Increased somewhat
- 3) Remained basically unchanged
- 4) Decreased somewhat
- 5) Decreased considerably
- 6) Not applicable

44. Over the past three months, how has demand for funding of non-agency ABS positions by your institution’s clients changed?

- 1) Increased considerably
- 2) Increased somewhat
- 3) Remained basically unchanged
- 4) Decreased somewhat
- 5) Decreased considerably
- 6) Not applicable

45. Over the past three months, how has the volume of mark and collateral disputes with clients related to the funding of non-agency ABS changed?
- 1) Increased considerably
  - 2) Increased somewhat
  - 3) Remained basically unchanged
  - 4) Decreased somewhat
  - 5) Decreased considerably
  - 6) Not applicable
46. Over the past three months, how have liquidity and functioning in the non-agency ABS market changed?<sup>3</sup>
- 1) Improved considerably
  - 2) Improved somewhat
  - 3) Remained basically unchanged
  - 4) Deteriorated somewhat
  - 5) Deteriorated considerably
  - 6) Not applicable

### **Optional Question**

Question 47 requests feedback on any other issues you judge to be important relating to credit terms applicable to securities financing transactions and over-the-counter derivatives contracts, and provides an opportunity for clarification of any earlier responses.

47. Are there any other recent developments involving conditions and practices in any of the markets addressed in this survey or applicable to the counterparty types listed in this survey that you regard as particularly significant and which were not fully addressed in the prior questions? Your response will help us stay abreast of emerging issues and in choosing questions for future surveys. There is no need to reply to this question if there is nothing you wish to add.

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<sup>3</sup> Please report changes in liquidity and functioning in the market for underlying collateral, not in the funding market.