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DIVISION OF MONETARY AFFAIRS

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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 2012 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/econresdata/statisticsdata.htm).

The April 2012 Senior Loan Officer Opinion Survey on Bank Lending Practices

The April 2012 Senior Loan Officer Opinion Survey on Bank Lending Practices addressed changes in the supply of, and demand for, bank loans to businesses and households over the past three months. This summary is based on responses from 58 domestic banks and 23 U.S. branches and agencies of foreign banks.[1]

Overall, in the April survey, modest net fractions of domestic banks generally reported having eased their lending standards and having experienced stronger demand over the past three months.[2] Standards on C&I loans to large and middle-market firms, and to small firms, were about unchanged.[3] However, moderate to large net fractions of domestic banks eased many terms on C&I loans to firms of all sizes, with most indicating that they had done so in response to more aggressive competition from other banks or nonbank lenders. Domestic banks also reported an increase in demand from firms of all sizes. In contrast, a small net fraction of foreign respondents again reported a tightening of their lending standards on C&I loans and a decrease in demand for such loans. A moderate net fraction of domestic banks reported having eased standards for commercial real estate (CRE) loans. As has been the case recently, significant net fractions of domestic banks reported that demand for CRE loans had strengthened. On net, foreign branches and agencies reported that standards and demand for CRE loans were little changed.

Regarding loans to households, standards on prime residential mortgage loans and home equity lines of credit (HELOCs) were about unchanged. However, the April survey indicated a moderate strengthening in demand for prime residential mortgage loans. With respect to consumer loans, moderate net fractions of banks reported that they had eased standards on most types of these loans over the past three months. In addition, demand for all types of consumer loans increased somewhat, on net, with demand for auto loans showing the largest increase.

The survey included two sets of special questions: the first set asked banks about lending to firms with European exposures, and the second set asked banks about their residential real estate (RRE) lending policies. In response to the first set, banks reported tightening standards on loans to European banks and on loans to nonfinancial firms with substantial business in Europe, and domestic respondents reported increased demand owing to reduced competition from European banks. In response to the second set, banks reported that they were less likely than in 2006, to varying degrees, to originate mortgages to any borrowers apart from those with the strongest credit profiles. A moderate net fraction of banks reported

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[1] Respondent banks received the survey on or after March 27, 2012, and responses were due by April 10, 2012.

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

[3] *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.

anticipating increasing their exposure to RRE assets over the next year. However, several large banks indicated that they anticipated reducing their exposures somewhat or substantially, and banks of all sizes cited a variety of factors that were limiting their current ability to originate or purchase RRE loans. A moderate share of banks reported that they were actively soliciting applications for the revised Home Affordable Refinance Program, or "HARP 2.0."

Business Lending
(Table 1, questions 1-11; Table 2, questions 1-10)

Questions on commercial and industrial lending. Domestic banks reported that their credit standards on C&I loans to both large and middle-market firms and to small firms were little changed over the first quarter of 2012. However, for the third consecutive quarter a small net fraction of U.S. branches and agencies of foreign banks reportedly tightened their standards on C&I loans.

Moderate to large net fractions of domestic banks eased many terms on C&I loans to firms of all sizes. A large net fraction of respondents indicated that they had decreased spreads on C&I loan rates over the cost of funds to both large and middle market firms and to small firms. A sizeable net fraction of banks also indicated a reduction in their use of interest rate floors and reduced costs of credit lines.

Almost all domestic banks that reported having eased standards or terms on C&I loans cited more-aggressive competition from other banks and nonbank lenders as a reason for having done so, with fewer than half of the banks that reported having eased standards attributing the change to an improved or less uncertain economic outlook. The few banks that reported having tightened at least one C&I loan term cited a variety of reasons, including a less favorable or more uncertain economic outlook, a worsening of industry-specific problems, a reduced tolerance for risk, and increased concerns about legislative, supervisory, or accounting policies.

Meanwhile, a moderate net fraction of foreign survey respondents increased the costs of credit lines on C&I loans. The foreign respondents that reported having tightened their standards or terms on C&I loans cited a variety of reasons, including a less favorable or more uncertain economic outlook, a worsening of industry-specific problems, a reduced tolerance for risk, deterioration in their current or expected liquidity position, and increased concerns about legislative, supervisory, or accounting policies.

For the second straight survey, reports from domestic banks of stronger demand for C&I loans outnumbered reports of weaker demand. Domestic banks also reported that the number of inquiries from potential business borrowers regarding new or increased credit lines increased, on net. Banks reporting stronger demand cited shifts in borrowing from other bank and nonbank sources, as well as increases in customers' funding needs related to inventories, investment in plant or equipment, accounts receivable, and mergers and acquisitions as important factors underlying the increase. The small fraction of banks indicating that demand had decreased cited an increase in their customers' internally generated funds, as well as decreases in customers' funding needs related to inventories, investment in plant or equipment, and accounts receivable. In contrast, a small net fraction of foreign respondents saw weaker demand for

C&I loans, and those that did most often cited customers' decreased investment in plant and equipment and reduced financing needs for merger or acquisition activity.

Special questions on lending to firms with European exposures. A set of special questions in the April survey asked respondents about lending to banks headquartered in Europe and their affiliates or subsidiaries (regardless of the location of the affiliates and subsidiaries), as well as to nonfinancial firms that have operations in the United States and significant exposure to European economies (regardless of the location of the firms). Most of these questions were also asked in the previous two surveys, conducted in January 2012 and October 2011.

Moderate net fractions of both domestic and foreign respondents reported having tightened standards on loans to European banks, and small net fractions stated that they had also tightened standards on loans to nonfinancial firms that have operations in the United States and significant exposure to European economies. However, in all cases, the net fractions that reported having tightened were substantially smaller than in the January survey. Demand for credit was reportedly little changed, on net, from European banks (or their affiliates and subsidiaries) and from nonfinancial firms with significant European exposures. About two-thirds of the domestic respondents who reported competing with European banks for business noted an increase in business as a result of decreased competition from European banks and their affiliates or subsidiaries, a somewhat larger fraction than in January.

Questions on commercial real estate lending. A modest net fraction of domestic banks reported easing their standards on CRE loans in the April survey. Foreign survey respondents indicated that their standards on CRE loans were about unchanged. As has been the case in recent surveys, moderate net fractions of domestic banks reported that demand for CRE loans had strengthened, on net, over the past three months. In contrast, the foreign respondents reported that demand for CRE loans had changed little over that period.

Lending to Households
(Table 1, questions 12-33)

Questions on residential real estate lending. Most banks continued to report little net change in standards on prime residential mortgage loans, while a modest net fraction of banks indicated that standards on nontraditional residential mortgage loans had tightened over the previous three months. Moderate net fractions of banks indicated that demand for both types of loans had strengthened, although a few large banks reported a weakening in demand. Most banks continued to report little change in their lending standards for home equity lines of credit, and demand for such loans was also about unchanged.

Special questions on residential real estate lending. A set of special questions asked survey respondents about residential real estate lending policies at their institutions. Banks were asked to compare their willingness to originate a GSE-eligible 30-year fixed-rate mortgage loan intended for home purchase today with their willingness in 2006 for borrowers with FICO (or equivalent) credit risk scores of 620, 680, and 720, and down payments of 10 or 20 percent (for a total of six categories of borrowers). A large majority of banks indicated that they were less likely to originate a GSE-eligible mortgage loan to potential borrowers with a FICO score of 620 and a 10 percent down payment than they were in 2006. Raising the down payment to 20 percent reduced the fraction of banks less likely to originate such a loan somewhat. A moderate net fraction of banks were less likely to originate loans to borrowers with a FICO score of 680, regardless of down payment size. A modest net fraction of banks were less likely to originate loans to borrowers with a FICO score of 720 and a 10 percent down payment, although survey respondents indicated that they were about as likely to originate loans now as they were in 2006 if such borrowers had a down payment of 20 percent. Most banks cited borrowers having higher costs for, or greater difficulty in obtaining, mortgage insurance coverage as an important factor contributing to the reduced likelihood of originating GSE-eligible mortgage loans. About as many respondents noted the higher risk of putbacks of delinquent mortgages by the GSEs as an important factor, and that factor was listed as the most important one by the largest number of banks. Similar fractions of respondents pointed to less favorable or more uncertain outlooks for house prices or for the economy more broadly as factors. A majority of respondents reported as at least somewhat important factors greater concern about their bank's exposure to residential real estate loans; increased concerns about effects of legislative changes, supervisory actions, or accounting standards; higher servicing costs if mortgages were to become delinquent; the prevailing spread of mortgage rates over cost of funds being insufficient to compensate for risks; and borrowers having higher costs of greater difficulty in obtaining simultaneous second liens.

A moderate net fraction of banks reported that they anticipated increasing their exposure to RRE assets over the next year (such as RRE loans or government backed or other mortgage-backed securities). However, several large banks indicated that they anticipated reducing their RRE holdings either somewhat or substantially.

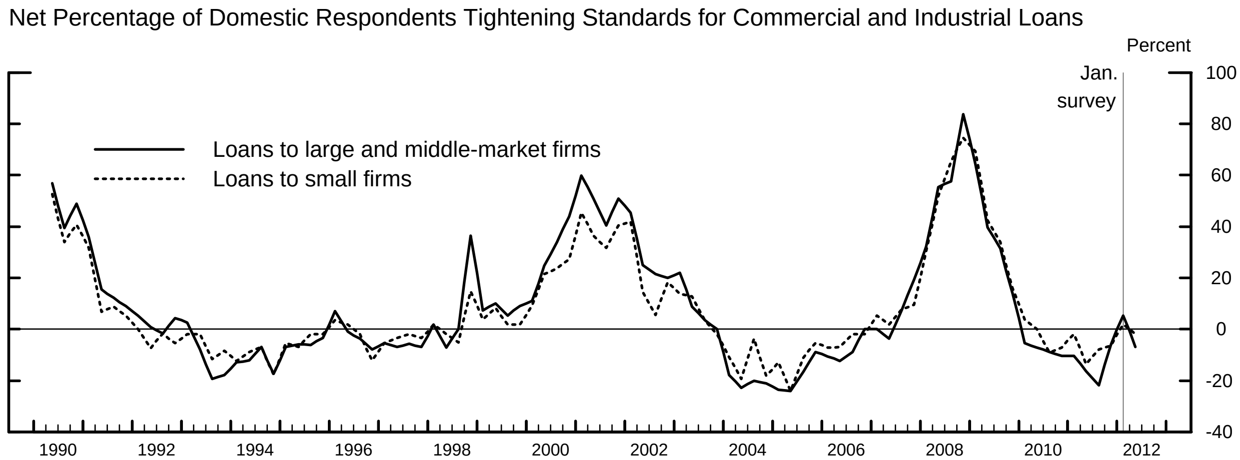
Banks were also asked to indicate what factors were currently impeding their ability to originate or purchase additional RRE loans. Most survey respondents cited periods during which the high volume of RRE loan applications exceeded their application processing capacity, difficulty in completing timely and accurate underwriting or in completing timely and accurate appraisals or in hiring sufficient servicing or loan processing staff as important factors.

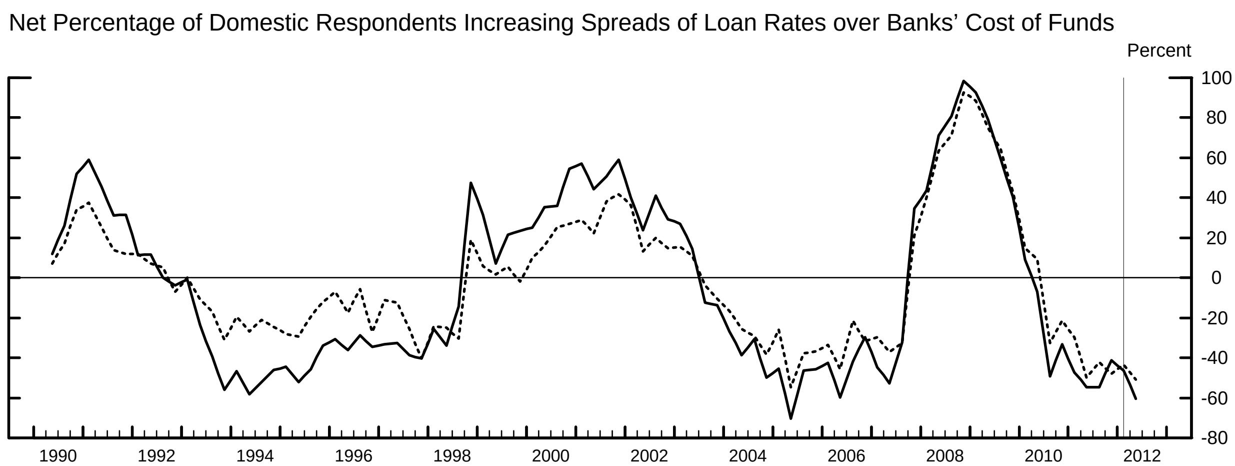
Several special questions asked about banks' participation in HARP 2.0. About one-third of banks reported that they were actively soliciting HARP 2.0 applications and were satisfying most demand as it comes in. In contrast, nearly half indicated that they had very little participation in HARP 2.0. A majority of those that were participating reported that they anticipated that 60 percent or more of such applications would be approved and successfully completed. Many respondents reported the risk that the GSEs might put back the mortgage, difficulty in obtaining transfers of existing private mortgage insurance coverage, difficulty in identifying junior lien holders, or difficulty in obtaining resubordination of a known second lien as factors reducing their willingness or ability to offer such loans. A moderate fraction of banks reported that they were actively soliciting applications or satisfying most demand as it came in for refinancing underwater loans outside of HARP 2.0 for borrowers who have been current on their existing mortgage for at least 12 months.

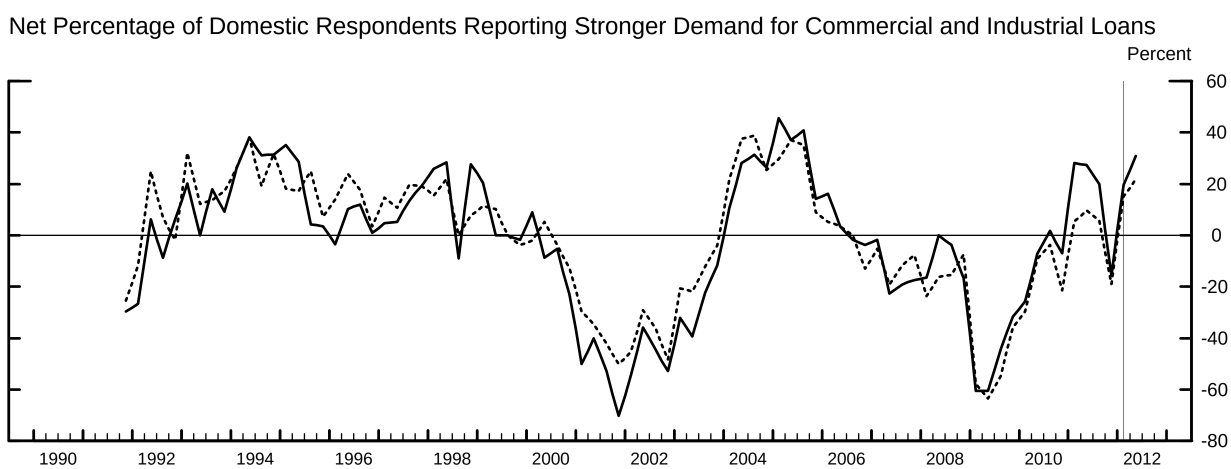
Questions on consumer lending. As in the previous four surveys, small to moderate net fractions of domestic banks reported having eased standards on credit card, auto, and other consumer loans. Moderate net fractions of banks reported having narrowed spreads on auto loans. However, other terms across the categories of consumer loans were little changed on net. Demand for consumer loans reportedly continued to increase, especially for auto loans.

This document was prepared by John Driscoll with the assistance of Sam Haltenhof, 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

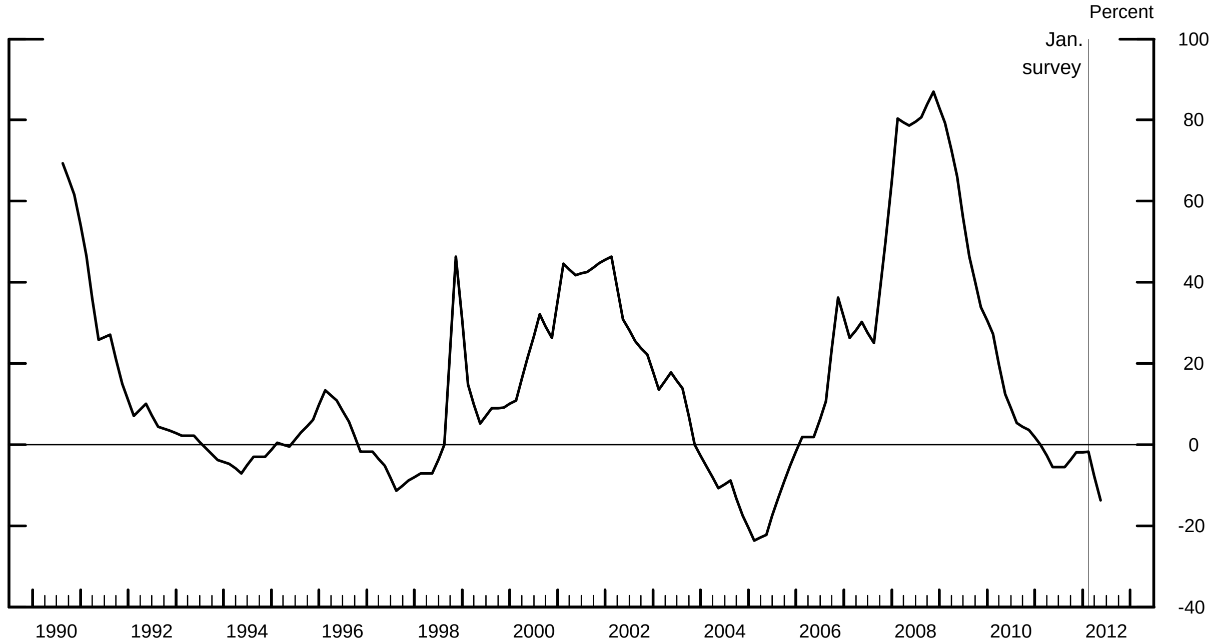




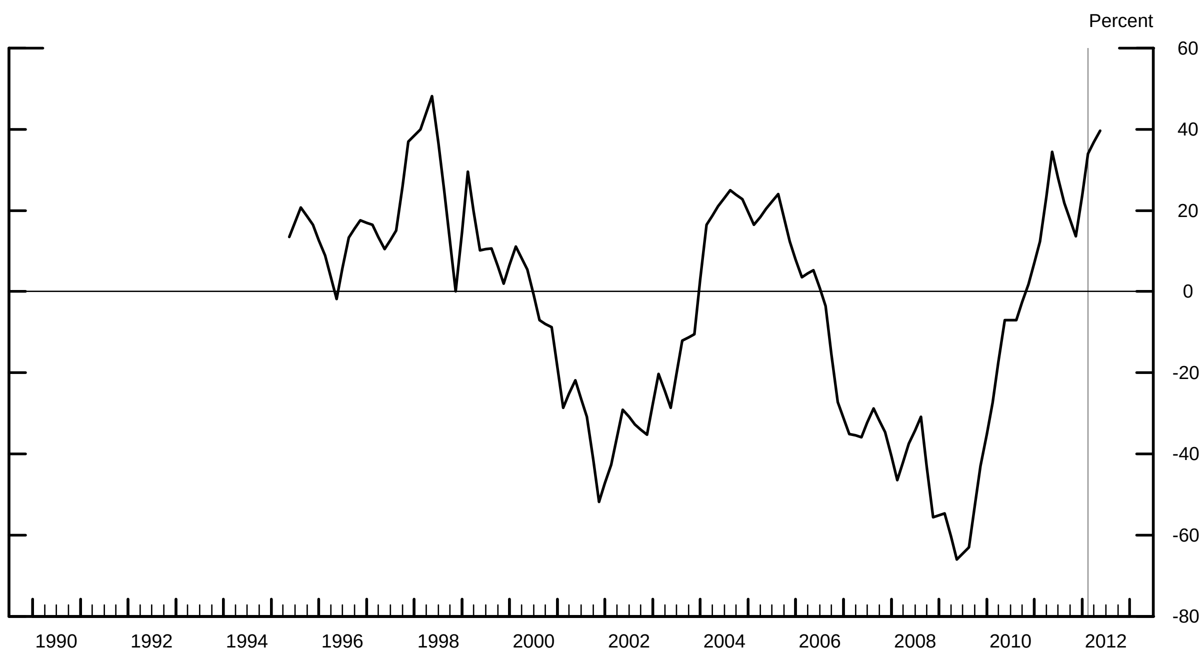


Measures of Supply and Demand for Commercial Real Estate Loans

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

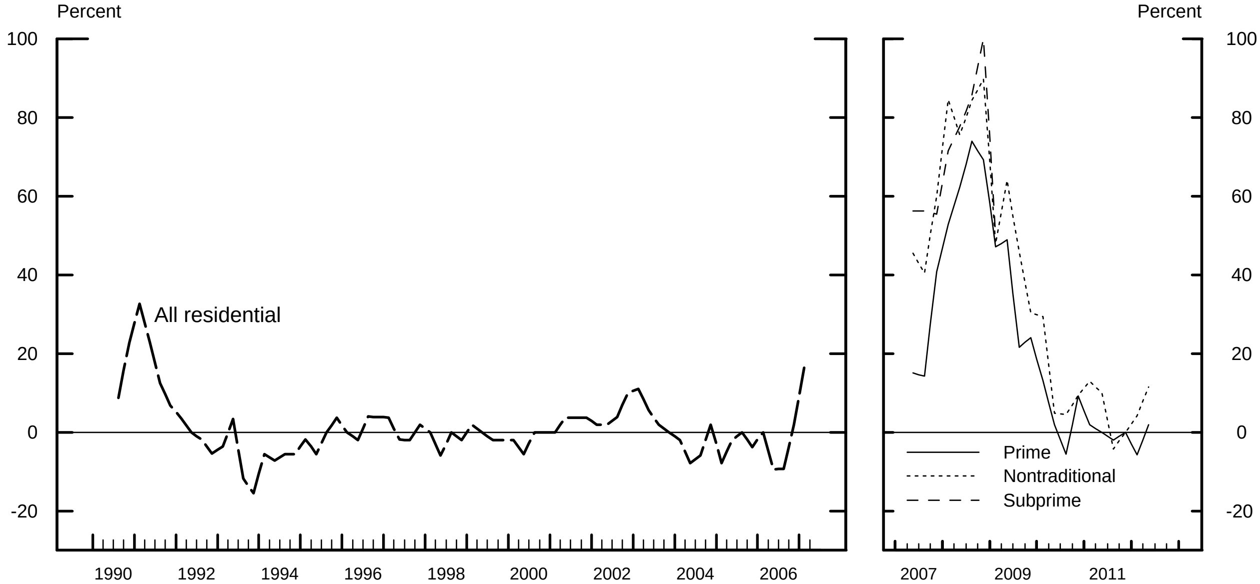


Net Percentage of Domestic Respondents Reporting Stronger Demand for Commercial Real Estate Loans



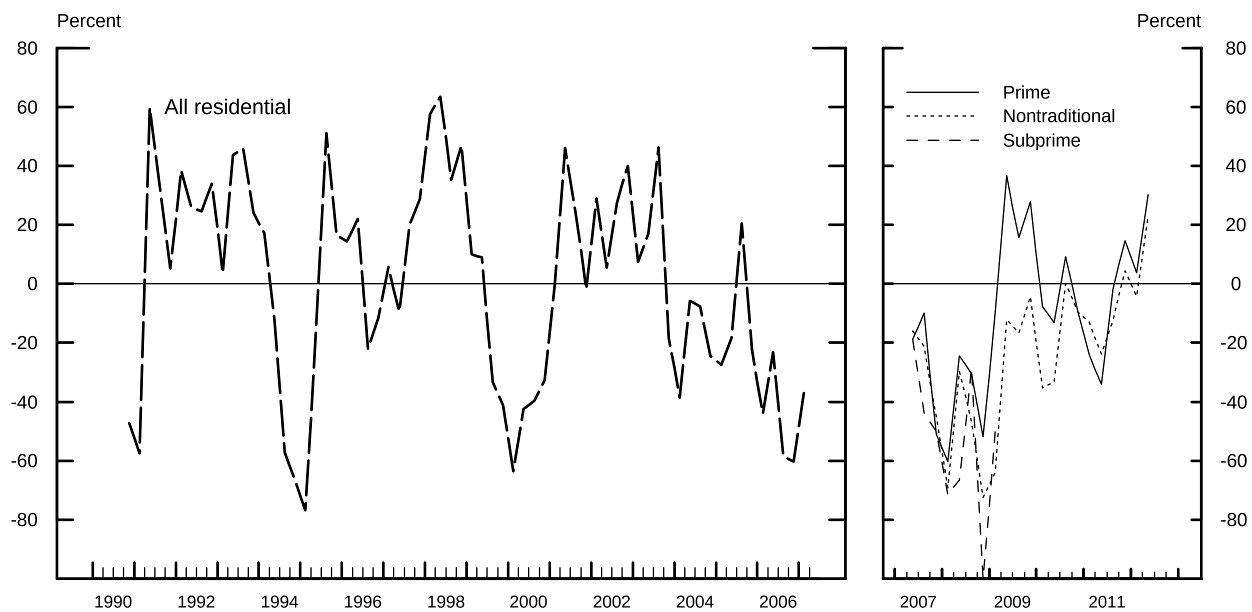
Measures of Supply and Demand for Residential Mortgage Loans

Net Percentage of Domestic Respondents Tightening Standards 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.

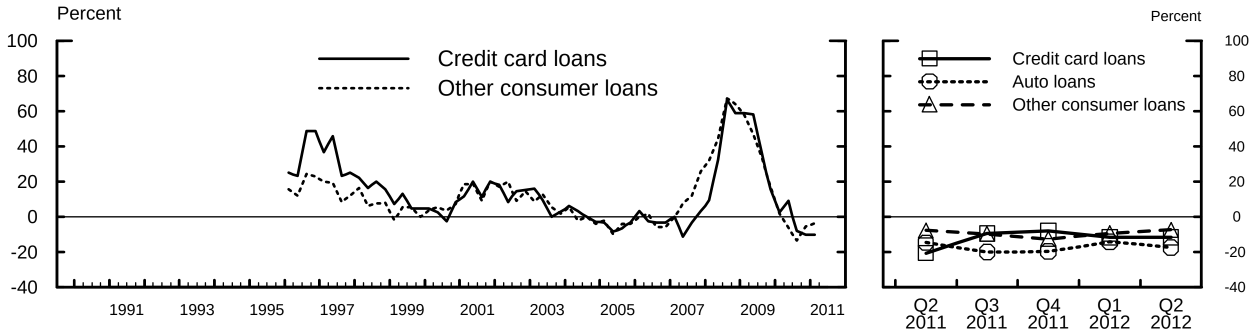
Net Percentage of Domestic Respondents Reporting Stronger Demand for Residential Mortgage Loans



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.

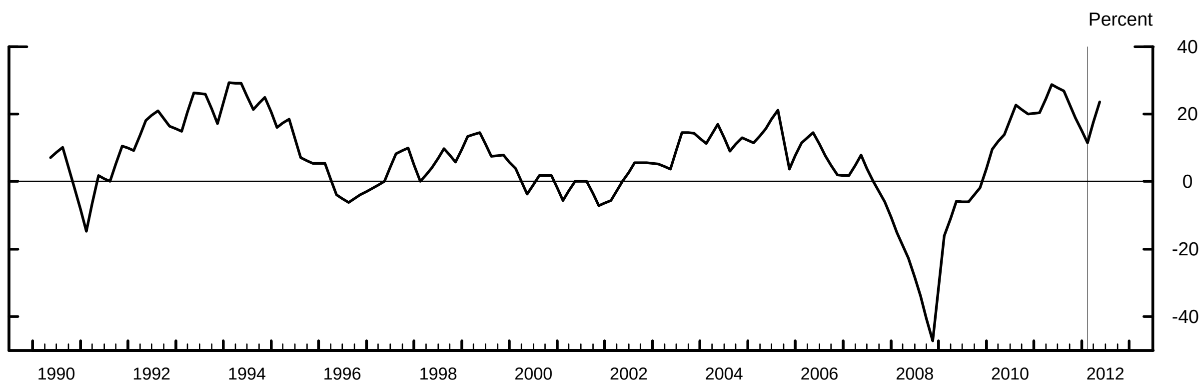
Measures of Supply and Demand for Consumer Loans

Net Percentage of Domestic Respondents Tightening Standards for Consumer Loans

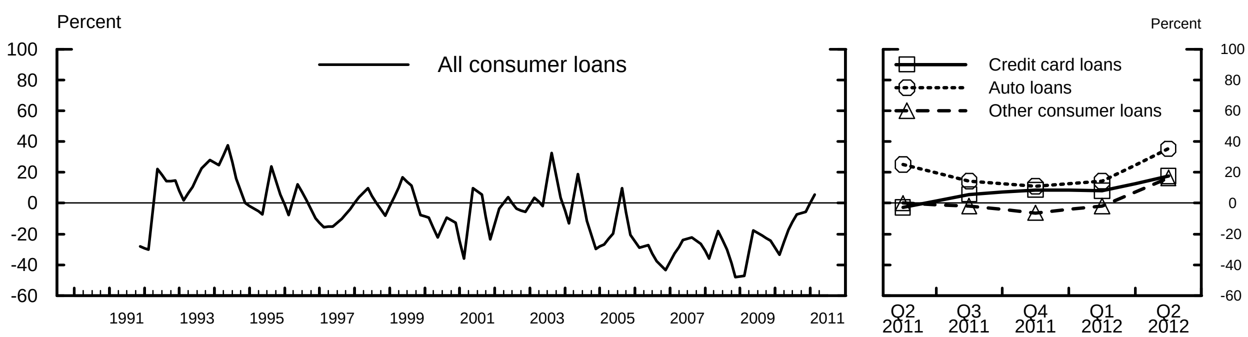


Note: For data starting in 2011:Q2, changes in standards for auto loans and consumer loans excluding credit card and auto loans are reported separately. In 2011:Q2 only, new and used auto loans are reported separately and equally weighted to calculate the auto loans series.

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 2012)

***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	54	93.1	32	88.9	22	100.0
Eased somewhat	4	6.9	4	11.1	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	36	100.0	22	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	54	98.2	32	97.0	22	100.0
Eased somewhat	1	1.8	1	3.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	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	3.5	2	5.7	0	0.0
Remained basically unchanged	45	78.9	26	74.3	19	86.4
Eased somewhat	10	17.5	7	20.0	3	13.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100.0	35	100.0	22	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	49	84.5	28	77.8	21	95.5
Eased somewhat	9	15.5	8	22.2	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	36	100.0	22	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	44	75.9	29	80.6	15	68.2
Eased somewhat	13	22.4	6	16.7	7	31.8
Eased considerably	1	1.7	1	2.8	0	0.0
Total	58	100.0	36	100.0	22	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	23	39.7	13	36.1	10	45.5
Eased somewhat	34	58.6	22	61.1	12	54.5
Eased considerably	1	1.7	1	2.8	0	0.0
Total	58	100.0	36	100.0	22	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	3.4	0	0.0	2	9.1
Remained basically unchanged	49	84.5	30	83.3	19	86.4
Eased somewhat	7	12.1	6	16.7	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	36	100.0	22	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	1	1.7	1	2.8	0	0.0
Remained basically unchanged	48	82.8	28	77.8	20	90.9
Eased somewhat	9	15.5	7	19.4	2	9.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	36	100.0	22	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	55	94.8	35	97.2	20	90.9
Eased somewhat	3	5.2	1	2.8	2	9.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	36	100.0	22	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	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	32	55.2	19	52.8	13	59.1
Eased somewhat	22	37.9	15	41.7	7	31.8
Eased considerably	4	6.9	2	5.6	2	9.1
Total	58	100.0	36	100.0	22	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	51	92.7	31	93.9	20	90.9
Eased somewhat	4	7.3	2	6.1	2	9.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	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	48	87.3	28	84.8	20	90.9
Eased somewhat	7	12.7	5	15.2	2	9.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	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	46	83.6	30	90.9	16	72.7
Eased somewhat	9	16.4	3	9.1	6	27.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	27	49.1	17	51.5	10	45.5
Eased somewhat	28	50.9	16	48.5	12	54.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	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	0	0.0	2	9.1
Remained basically unchanged	48	87.3	29	87.9	19	86.4
Eased somewhat	4	7.3	3	9.1	1	4.5
Eased considerably	1	1.8	1	3.0	0	0.0
Total	55	100.0	33	100.0	22	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	1	1.8	1	3.0	0	0.0
Remained basically unchanged	48	87.3	29	87.9	19	86.4
Eased somewhat	6	10.9	3	9.1	3	13.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	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	0	0.0	0	0.0	0	0.0
Remained basically unchanged	53	96.4	32	97.0	21	95.5
Eased somewhat	2	3.6	1	3.0	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	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	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	33	62.3	20	64.5	13	59.1
Eased somewhat	17	32.1	9	29.0	8	36.4
Eased considerably	3	5.7	2	6.5	1	4.5
Total	53	100.0	31	100.0	22	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	5	83.3	4	100.0	1	50.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	1	16.7	0	0.0	1	50.0
Total	6	100.0	4	100.0	2	100.0

b. Less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	2	33.3	2	50.0	0	0.0
Somewhat important	4	66.7	2	50.0	2	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	6	100.0	4	100.0	2	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	3	50.0	3	75.0	0	0.0
Somewhat important	2	33.3	1	25.0	1	50.0
Very important	1	16.7	0	0.0	1	50.0
Total	6	100.0	4	100.0	2	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	5	83.3	3	75.0	2	100.0
Somewhat important	1	16.7	1	25.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	6	100.0	4	100.0	2	100.0

e. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	50.0	3	75.0	0	0.0
Somewhat important	1	16.7	1	25.0	0	0.0
Very important	2	33.3	0	0.0	2	100.0
Total	6	100.0	4	100.0	2	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	5	83.3	4	100.0	1	50.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	1	16.7	0	0.0	1	50.0
Total	6	100.0	4	100.0	2	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	5	83.3	4	100.0	1	50.0
Somewhat important	0	0.0	0	0.0	0	0.0
Very important	1	16.7	0	0.0	1	50.0
Total	6	100.0	4	100.0	2	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	3	50.0	2	50.0	1	50.0
Somewhat important	2	33.3	2	50.0	0	0.0
Very important	1	16.7	0	0.0	1	50.0
Total	6	100.0	4	100.0	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		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	33	94.3	23	100.0	10	83.3
Somewhat important	1	2.9	0	0.0	1	8.3
Very important	1	2.9	0	0.0	1	8.3
Total	35	100.0	23	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	20	57.1	13	56.5	7	58.3
Somewhat important	14	40.0	10	43.5	4	33.3
Very important	1	2.9	0	0.0	1	8.3
Total	35	100.0	23	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	30	85.7	21	91.3	9	75.0
Somewhat important	3	8.6	1	4.3	2	16.7
Very important	2	5.7	1	4.3	1	8.3
Total	35	100.0	23	100.0	12	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	1	2.9	1	4.3	0	0.0
Somewhat important	16	45.7	9	39.1	7	58.3
Very important	18	51.4	13	56.5	5	41.7
Total	35	100.0	23	100.0	12	100.0

e. Increased tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	27	77.1	17	73.9	10	83.3
Somewhat important	7	20.0	5	21.7	2	16.7
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	28	80.0	18	78.3	10	83.3
Somewhat important	6	17.1	5	21.7	1	8.3
Very important	1	2.9	0	0.0	1	8.3
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	31	88.6	22	95.7	9	75.0
Somewhat important	4	11.4	1	4.3	3	25.0
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	33	94.3	22	95.7	11	91.7
Somewhat important	2	5.7	1	4.3	1	8.3
Very important	0	0.0	0	0.0	0	0.0
Total	35	100.0	23	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	0	0.0	0	0.0	0	0.0
Moderately stronger	25	43.1	13	36.1	12	54.5
About the same	26	44.8	17	47.2	9	40.9
Moderately weaker	7	12.1	6	16.7	1	4.5
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	58	100.0	36	100.0	22	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	17	30.9	5	15.2	12	54.5
About the same	33	60.0	24	72.7	9	40.9
Moderately weaker	5	9.1	4	12.1	1	4.5
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	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	10	37.0	5	33.3	5	41.7
Somewhat important	16	59.3	10	66.7	6	50.0
Very important	1	3.7	0	0.0	1	8.3
Total	27	100.0	15	100.0	12	100.0

b. Customer accounts receivable financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	9	33.3	6	40.0	3	25.0
Somewhat important	17	63.0	9	60.0	8	66.7
Very important	1	3.7	0	0.0	1	8.3
Total	27	100.0	15	100.0	12	100.0

c. Customer investment in plant or equipment increased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	7	25.9	6	40.0	1	8.3
Somewhat important	19	70.4	9	60.0	10	83.3
Very important	1	3.7	0	0.0	1	8.3
Total	27	100.0	15	100.0	12	100.0

d. Customer internally generated funds decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	26	96.3	14	93.3	12	100.0
Somewhat important	1	3.7	1	6.7	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	27	100.0	15	100.0	12	100.0

e. Customer merger or acquisition financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	12	44.4	4	26.7	8	66.7
Somewhat important	13	48.1	9	60.0	4	33.3
Very important	2	7.4	2	13.3	0	0.0
Total	27	100.0	15	100.0	12	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	9	33.3	4	26.7	5	41.7
Somewhat important	13	48.1	7	46.7	6	50.0
Very important	5	18.5	4	26.7	1	8.3
Total	27	100.0	15	100.0	12	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	3	42.9	3	50.0	0	0.0
Somewhat important	3	42.9	2	33.3	1	100.0
Very important	1	14.3	1	16.7	0	0.0
Total	7	100.0	6	100.0	1	100.0

b. Customer accounts receivable financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	3	42.9	3	50.0	0	0.0
Somewhat important	3	42.9	2	33.3	1	100.0
Very important	1	14.3	1	16.7	0	0.0
Total	7	100.0	6	100.0	1	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	33.3	0	0.0
Somewhat important	2	28.6	1	16.7	1	100.0
Very important	3	42.9	3	50.0	0	0.0
Total	7	100.0	6	100.0	1	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	33.3	0	0.0
Somewhat important	5	71.4	4	66.7	1	100.0
Very important	0	0.0	0	0.0	0	0.0
Total	7	100.0	6	100.0	1	100.0

e. Customer merger or acquisition financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	57.1	3	50.0	1	100.0
Somewhat important	1	14.3	1	16.7	0	0.0
Very important	2	28.6	2	33.3	0	0.0
Total	7	100.0	6	100.0	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		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	4	57.1	4	66.7	0	0.0
Somewhat important	2	28.6	1	16.7	1	100.0
Very important	1	14.3	1	16.7	0	0.0
Total	7	100.0	6	100.0	1	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	0	0.0	0	0.0	0	0.0
The number of inquiries has increased moderately	23	39.7	13	36.1	10	45.5
The number of inquiries has stayed about the same	30	51.7	18	50.0	12	54.5
The number of inquiries has decreased moderately	5	8.6	5	13.9	0	0.0
The number of inquiries has decreased substantially	0	0.0	0	0.0	0	0.0
Total	58	100.0	36	100.0	22	100.0

The ongoing fiscal and financial strains in Europe may have affected lending conditions for nonfinancial companies that have operations in the United States and significant exposure to European economies, as well as banks headquartered in Europe and their affiliates and subsidiaries. ***Question 7*** *deals with changes in your bank's lending policies toward both types of firms over the past three months. In addition, developments in Europe may have affected these firms' demand for credit from U.S. banks.* ***Question 8*** *deal with such changes in demand.* ***Question 9*** *asks about increases in business as a result of change in competition from European banks and their affiliates and subsidiaries.*

In answering these questions, please consider your bank's C&I lending to all nonfinancial companies with operations in the United States and significant exposure to European economies (for example, please consider your bank's C&I loans both to operations of European firms that are located in the United States and to domestic firms that conduct a significant portion of their business with European firms). With regard to banks, please consider banks headquartered in Europe and affiliates and subsidiaries of European banks regardless of the location of those affiliates and subsidiaries.

7. Over the past three months, how have your bank's credit standards and terms for approving applications for loans or credit lines—other than those to be used to finance mergers and acquisitions—for the following types of firms changed?

A. Nonfinancial companies that have operations in the United States and significant exposure to European economies (as described in the introduction to these special questions)

	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	4	12.5	4	14.8	0	0.0
Remained basically unchanged	28	87.5	23	85.2	5	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	32	100.0	27	100.0	5	100.0

For this question, 24 respondents answered “My bank does not make loans or extend credit lines to nonfinancial companies that have operations in the United States and significant exposure to European economies.”

B. Banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	2	8.7	2	9.1	0	0.0
Tightened somewhat	6	26.1	6	27.3	0	0.0
Remained basically unchanged	14	60.9	13	59.1	1	100.0
Eased somewhat	1	4.3	1	4.5	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	23	100.0	22	100.0	1	100.0

For this question, 32 respondents answered "My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries."

8. Over the past three months and apart from normal seasonal variation, how has demand for loans at your bank from the following types of firms changed? (Please consider only funds actually disbursed as opposed to requests for new or increased lines of credit.)

A. Nonfinancial companies with operations in the United States and significant exposures to European economies (as described in the introduction to these special questions)

	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	2	6.3	2	7.4	0	0.0
About the same	29	90.6	24	88.9	5	100.0
Moderately weaker	0	0.0	0	0.0	0	0.0
Substantially weaker	1	3.1	1	3.7	0	0.0
Total	32	100.0	27	100.0	5	100.0

For this question, 24 respondents answered "My bank does not make loans or extend credit lines to nonfinancial companies that have operations in the United States and significant exposure to European economies."

B. Banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions)

	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	2	8.7	2	9.1	0	0.0
About the same	18	78.3	17	77.3	1	100.0
Moderately weaker	3	13.0	3	13.6	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	23	100.0	22	100.0	1	100.0

For this question, 32 respondents answered "My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries."

9. Over the past three months, to what extent has your bank experienced an increase in business, with either foreign or domestic customers, as a result of decreased competition from European banks and their affiliates and subsidiaries?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
My bank has not experienced a decrease in competition from European banks	3	5.5	3	8.6	0	0.0
My bank does not compete with European banks for our business	24	43.6	6	17.1	18	90.0
Such decreased competition has not appreciably increased business	8	14.5	7	20.0	1	5.0
Such decreased competition has increased business to some extent	20	36.4	19	54.3	1	5.0
Such decreased competition has increased business to a considerable extent	0	0.0	0	0.0	0	0.0
Total	55	100.0	35	100.0	20	100.0

Questions 10-11 *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 10 deals with changes in your bank's standards over the past three months. Question 11 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.*

10. 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	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	50	86.2	31	86.1	19	86.4
Eased somewhat	8	13.8	5	13.9	3	13.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100.0	36	100.0	22	100.0

11. 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	1	1.7	1	2.8	0	0.0
Moderately stronger	25	43.1	16	44.4	9	40.9
About the same	29	50.0	18	50.0	11	50.0
Moderately weaker	3	5.2	1	2.8	2	9.1
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	58	100.0	36	100.0	22	100.0

Questions 12-13 *ask about three categories of* ***residential mortgage loans*** *at your bank—prime residential mortgages, nontraditional residential mortgages, and subprime residential mortgages. Question 12 deals with changes in your bank's credit standards for loans in each of these categories over the past three months. Question 13 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.*

12. 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	3	5.6	2	6.3	1	4.5
Remained basically unchanged	49	90.7	30	93.8	19	86.4
Eased somewhat	2	3.7	0	0.0	2	9.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	32	100.0	22	100.0

For this question, 1 respondent answered “My bank does not originate prime residential mortgages.”

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	3	11.5	3	15.8	0	0.0
Remained basically unchanged	23	88.5	16	84.2	7	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	26	100.0	19	100.0	7	100.0

For this question, 29 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.

13. 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	2	3.8	1	3.1	1	4.8
Moderately stronger	18	34.0	8	25.0	10	47.6
About the same	29	54.7	19	59.4	10	47.6
Moderately weaker	4	7.5	4	12.5	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	53	100.0	32	100.0	21	100.0

For this question, 2 respondents answered “My bank does not originate prime residential mortgages.”

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	8	30.8	3	15.8	5	71.4
About the same	16	61.5	14	73.7	2	28.6
Moderately weaker	2	7.7	2	10.5	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	26	100.0	19	100.0	7	100.0

For this question, 29 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 14-15** ask about **revolving home equity lines of credit** at your bank. Question 14 deals with changes in your bank's credit standards over the past three months. Question 15 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.*

14. 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	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.4	2	5.9	1	4.5
Remained basically unchanged	51	91.1	31	91.2	20	90.9
Eased somewhat	2	3.6	1	2.9	1	4.5
Eased considerably	0	0.0	0	0.0	0	0.0
Total	56	100.0	34	100.0	22	100.0

15. 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	12.5	3	8.8	4	18.2
About the same	40	71.4	23	67.6	17	77.3
Moderately weaker	9	16.1	8	23.5	1	4.5
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	56	100.0	34	100.0	22	100.0

The ongoing weakness in the housing sector continues to weigh on economic activity. The following set of special questions asks about residential mortgage lending policies at your institution. ***Questions 16-17*** *ask you to compare your current policies in originating residential mortgage loans for borrowers with different characteristics to those policies that prevailed in 2006.* ***Question 18*** *asks about how you anticipate holdings of loans and other assets secured by residential real estate will change at your institution over the next year.* ***Question 19*** *asks about factors that may be affecting your bank's ability to originate or purchase residential real estate loans.* ***Questions 20-23*** *ask about the revised Home Affordable Refinance Program (``HARP 2.0'') and refinancing of underwater mortgages outside of HARP 2.0.* ***If your bank does not originate residential mortgage loans, please skip these questions.***

16. For each of the following questions, indicate how much more or less likely it is, compared with 2006, that your bank would originate a GSE-eligible 30-year fixed-rate mortgage loan intended for home purchase to borrowers whose loan application has the stated FICO score (or equivalent) and down payment. In each case, assume that all other characteristics of the borrower and the property are typical for loan applications that are eligible for sale to the GSEs with that FICO score (or equivalent) and down payment. (Please assign each borrower category a number between 1 and 5 using the following scale: 1=much less likely, 2=somewhat less likely 3=about the same, 4=somewhat more likely, 5=much more likely.)

a. A borrower with a FICO score (or equivalent) of 620 and a down payment of 10 percent

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	31	59.6	18	56.3	13	65.0
Somewhat less likely	12	23.1	8	25.0	4	20.0
About the same	9	17.3	6	18.8	3	15.0
Somewhat more likely	0	0.0	0	0.0	0	0.0
Much more likely	0	0.0	0	0.0	0	0.0
Total	52	100.0	32	100.0	20	100.0

b. A borrower with a FICO score (or equivalent) of 680 and a down payment of 10 percent

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	11	21.2	6	18.8	5	25.0
Somewhat less likely	15	28.8	9	28.1	6	30.0
About the same	25	48.1	17	53.1	8	40.0
Somewhat more likely	0	0.0	0	0.0	0	0.0
Much more likely	1	1.9	0	0.0	1	5.0
Total	52	100.0	32	100.0	20	100.0

c. A borrower with a FICO score (or equivalent) of 720 and a down payment of 10 percent

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	4	7.7	2	6.3	2	10.0
Somewhat less likely	8	15.4	7	21.9	1	5.0
About the same	37	71.2	21	65.6	16	80.0
Somewhat more likely	2	3.8	2	6.3	0	0.0
Much more likely	1	1.9	0	0.0	1	5.0
Total	52	100.0	32	100.0	20	100.0

d. A borrower with a FICO score (or equivalent) of 620 and a down payment of 20 percent

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	20	38.5	11	34.4	9	45.0
Somewhat less likely	17	32.7	10	31.3	7	35.0
About the same	15	28.8	11	34.4	4	20.0
Somewhat more likely	0	0.0	0	0.0	0	0.0
Much more likely	0	0.0	0	0.0	0	0.0
Total	52	100.0	32	100.0	20	100.0

e. A borrower with a FICO score (or equivalent) of 680 and a down payment of 20 percent

	All Respondents		**Large Banks**		**Other Banks**	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	4	7.7	2	6.3	2	10.0
Somewhat less likely	11	21.2	7	21.9	4	20.0
About the same	33	63.5	20	62.5	13	65.0
Somewhat more likely	3	5.8	3	9.4	0	0.0
Much more likely	1	1.9	0	0.0	1	5.0
Total	52	100.0	32	100.0	20	100.0

f. A borrower with a FICO score (or equivalent) of 720 and a down payment of 20 percent

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Much less likely	0	0.0	0	0.0	0	0.0
Somewhat less likely	5	9.6	3	9.4	2	10.0
About the same	41	78.8	24	75.0	17	85.0
Somewhat more likely	1	1.9	1	3.1	0	0.0
Much more likely	5	9.6	4	12.5	1	5.0
Total	52	100.0	32	100.0	20	100.0

17. If you answered ``much less likely" or ``somewhat less likely" (answers 1 or 2) to any of the borrower categories in question 16, please indicate how important the following factors were for your answers. (Please assign each possible factor a number between 1 and 4 using the following scale: 1= not important, 2=somewhat important, 3=very important, 4=the most important.)

a. Higher servicing cost if mortgage were to become delinquent

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	17	38.6	7	25.9	10	58.8
Somewhat important	19	43.2	17	63.0	2	11.8
Very important	8	18.2	3	11.1	5	29.4
The most important	0	0.0	0	0.0	0	0.0
Total	44	100.0	27	100.0	17	100.0

b. Borrowers have higher costs or greater difficulty in obtaining mortgage insurance

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	7	15.9	3	11.1	4	23.5
Somewhat important	16	36.4	12	44.4	4	23.5
Very important	13	29.5	8	29.6	5	29.4
The most important	8	18.2	4	14.8	4	23.5
Total	44	100.0	27	100.0	17	100.0

c. Borrowers have higher costs or greater difficulty in obtaining simultaneous second liens from your bank or other lenders

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	22	50.0	16	59.3	6	35.3
Somewhat important	13	29.5	8	29.6	5	29.4
Very important	6	13.6	2	7.4	4	23.5
The most important	3	6.8	1	3.7	2	11.8
Total	44	100.0	27	100.0	17	100.0

d. Higher risk of put-back of delinquent mortgages by the GSEs

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	18.2	5	18.5	3	17.6
Somewhat important	10	22.7	6	22.2	4	23.5
Very important	15	34.1	9	33.3	6	35.3
The most important	11	25.0	7	25.9	4	23.5
Total	44	100.0	27	100.0	17	100.0

e. Basel III treatment of mortgage servicing rights makes the business less attractive

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	27	61.4	15	55.6	12	70.6
Somewhat important	12	27.3	9	33.3	3	17.6
Very important	3	6.8	1	3.7	2	11.8
The most important	2	4.5	2	7.4	0	0.0
Total	44	100.0	27	100.0	17	100.0

f. Increased concerns about other 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	13	29.5	7	25.9	6	35.3
Somewhat important	16	36.4	9	33.3	7	41.2
Very important	14	31.8	10	37.0	4	23.5
The most important	1	2.3	1	3.7	0	0.0
Total	44	100.0	27	100.0	17	100.0

g. Greater concern about my bank's exposure to residential real estate loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	13	29.5	8	29.6	5	29.4
Somewhat important	17	38.6	10	37.0	7	41.2
Very important	12	27.3	7	25.9	5	29.4
The most important	2	4.5	2	7.4	0	0.0
Total	44	100.0	27	100.0	17	100.0

h. A less favorable or more uncertain outlook for house prices

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	7	15.9	3	11.1	4	23.5
Somewhat important	17	38.6	10	37.0	7	41.2
Very important	16	36.4	11	40.7	5	29.4
The most important	4	9.1	3	11.1	1	5.9
Total	44	100.0	27	100.0	17	100.0

i. A less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	8	18.2	5	18.5	3	17.6
Somewhat important	27	61.4	16	59.3	11	64.7
Very important	8	18.2	6	22.2	2	11.8
The most important	1	2.3	0	0.0	1	5.9
Total	44	100.0	27	100.0	17	100.0

j. The prevailing spread of mortgage rates over cost of funds is insufficient to compensate for risks

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	21	48.8	12	46.2	9	52.9
Somewhat important	13	30.2	8	30.8	5	29.4
Very important	7	16.3	4	15.4	3	17.6
The most important	2	4.7	2	7.7	0	0.0
Total	43	100.0	26	100.0	17	100.0

18. How do you anticipate your bank will change its holdings of residential real estate assets (such as residential real estate loans or government backed or other mortgage-backed securities) over the next year?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
My bank will reduce its holdings substantially	2	3.6	2	6.1	0	0.0
My bank will reduce its holdings somewhat	5	9.1	5	15.2	0	0.0
My bank will keep its holdings about the same	22	40.0	10	30.3	12	54.5
My bank will increase its holdings somewhat	24	43.6	15	45.5	9	40.9
My bank will increase its holdings substantially	2	3.6	1	3.0	1	4.5
Total	55	100.0	33	100.0	22	100.0

19. Indicate to what extent each of the following factors is currently affecting your bank's ability to originate or purchase additional residential real estate loans. (Please assign each factor a number between 1 and 4 using the following scale: 1= not at all a factor, 2= somewhat a factor, 3=very much a factor, 4=the most important factor.)

a. Periods of high volume of loan applications exceed application processing capacity

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not at all a factor	16	30.2	8	24.2	8	40.0
Somewhat a factor	21	39.6	13	39.4	8	40.0
Very much a factor	11	20.8	9	27.3	2	10.0
The most important factor	5	9.4	3	9.1	2	10.0
Total	53	100.0	33	100.0	20	100.0

b. Difficulty in completing timely and accurate appraisals

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not at all a factor	23	43.4	15	45.5	8	40.0
Somewhat a factor	18	34.0	9	27.3	9	45.0
Very much a factor	12	22.6	9	27.3	3	15.0
The most important factor	0	0.0	0	0.0	0	0.0
Total	53	100.0	33	100.0	20	100.0

c. Difficulty in completing timely and accurate underwriting

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not at all a factor	23	43.4	11	33.3	12	60.0
Somewhat a factor	19	35.8	14	42.4	5	25.0
Very much a factor	10	18.9	8	24.2	2	10.0
The most important factor	1	1.9	0	0.0	1	5.0
Total	53	100.0	33	100.0	20	100.0

d. Difficulty in securing servicing and loan processing help from outside companies

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not at all a factor	42	79.2	24	72.7	18	90.0
Somewhat a factor	10	18.9	8	24.2	2	10.0
Very much a factor	1	1.9	1	3.0	0	0.0
The most important factor	0	0.0	0	0.0	0	0.0
Total	53	100.0	33	100.0	20	100.0

e. Difficulty in hiring sufficient servicing or loan processing staff at your bank

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not at all a factor	21	39.6	15	45.5	6	30.0
Somewhat a factor	25	47.2	15	45.5	10	50.0
Very much a factor	7	13.2	3	9.1	4	20.0
The most important factor	0	0.0	0	0.0	0	0.0
Total	53	100.0	33	100.0	20	100.0

f. Limited balance sheet or warehousing capacity

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not at all a factor	48	90.6	29	87.9	19	95.0
Somewhat a factor	2	3.8	2	6.1	0	0.0
Very much a factor	3	5.7	2	6.1	1	5.0
The most important factor	0	0.0	0	0.0	0	0.0
Total	53	100.0	33	100.0	20	100.0

20. To what extent is your bank participating in the revised Home Affordable Refinance Program (``HARP 2.0")?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
My bank is actively soliciting applications and is satisfying most demand as it comes in	16	30.2	13	39.4	3	15.0
My bank is not actively soliciting applications, but is satisfying most demand as it comes in	12	22.6	6	18.2	6	30.0
My bank has very little participation in HARP	25	47.2	14	42.4	11	55.0
Total	53	100.0	33	100.0	20	100.0

21. Based on your experiences to date with HARP 2.0, about what share of applications under HARP 2.0 do you anticipate will be approved and successfully completed?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
More than 80 percent	5	9.6	5	15.2	0	0.0
Between 60 and 80 percent	12	23.1	10	30.3	2	10.5
Between 40 and 60 percent	6	11.5	4	12.1	2	10.5
Between 20 and 40 percent	2	3.8	0	0.0	2	10.5
Less than 20 percent	3	5.8	0	0.0	3	15.8
My bank has very little participation in HARP 2.0	24	46.2	14	42.4	10	52.6
Total	52	100.0	33	100.0	19	100.0

22. Indicate to what extent each of the following factors is currently affecting your bank's willingness or ability to offer additional refinance loans through HARP 2.0. (Please assign each possible factor a number between 1 and 4 using the following scale: 1= not important, 2=somewhat important, 3=very important, 4=the most important.)

a. Difficulty in identifying junior lien holders

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	30	65.2	18	62.1	12	70.6
Somewhat important	15	32.6	10	34.5	5	29.4
Very important	1	2.2	1	3.4	0	0.0
The most important	0	0.0	0	0.0	0	0.0
Total	46	100.0	29	100.0	17	100.0

b. Difficulty in obtaining resubordination of a known second lien

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	20	42.6	15	51.7	5	27.8
Somewhat important	16	34.0	12	41.4	4	22.2
Very important	9	19.1	2	6.9	7	38.9
The most important	2	4.3	0	0.0	2	11.1
Total	47	100.0	29	100.0	18	100.0

c. Difficulty in obtaining a transfer of existing private mortgage insurance (PMI) coverage

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not important	20	42.6	12	41.4	8	44.4
Somewhat important	19	40.4	13	44.8	6	33.3
Very important	4	8.5	3	10.3	1	5.6
The most important	4	8.5	1	3.4	3	16.7
Total	47	100.0	29	100.0	18	100.0

d. Risk that the GSEs might put back the mortgage

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	19	40.4	12	41.4	7	38.9
Somewhat important	11	23.4	8	27.6	3	16.7
Very important	9	19.1	4	13.8	5	27.8
The most important	8	17.0	5	17.2	3	16.7
Total	47	100.0	29	100.0	18	100.0

23. This question asks about your bank's willingness or ability to refinance underwater loans (for which the unpaid balance exceeds the appraised value) outside of HARP 2.0 for borrowers who have been current on their existing mortgage for at least 12 months.

A. For loans currently held in your own portfolio

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
My bank is actively soliciting such applications and is satisfying most demand as it comes in	6	11.3	5	14.7	1	5.3
My bank is not actively soliciting such applications, but is satisfying most demand as it comes in	20	37.7	11	32.4	9	47.4
My bank is doing very little refinancing of underwater mortgage loans held in its portfolio outside of HARP 2.0	27	50.9	18	52.9	9	47.4
Total	53	100.0	34	100.0	19	100.0

B. For loans **not** currently held in your own portfolio

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
My bank is actively soliciting such applications and is satisfying most demand as it comes in	5	9.3	2	6.1	3	14.3
My bank is not actively soliciting such applications, but is satisfying most demand as it comes in	13	24.1	9	27.3	4	19.0
My bank is doing very little refinancing of underwater mortgage loans held in its portfolio outside of HARP 2.0	36	66.7	22	66.7	14	66.7
Total	54	100.0	33	100.0	21	100.0

Questions 24-33 *ask about consumer lending at your bank. Question 24 deals with changes in your bank's willingness to make consumer loans over the past three months. Questions 25-30 deal with changes in credit standards and loan terms over the same period. Questions 31-33deal 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.*

24. 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	1	1.8	0	0.0	1	4.5
Somewhat more willing	12	21.8	8	24.2	4	18.2
About unchanged	42	76.4	25	75.8	17	77.3
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	55	100.0	33	100.0	22	100.0

25. 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	1	2.3	1	3.6	0	0.0
Remained basically unchanged	36	83.7	23	82.1	13	86.7
Eased somewhat	6	14.0	4	14.3	2	13.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	43	100.0	28	100.0	15	100.0

26. Over the past three months, how have your bank's credit standards for approving applications for auto loans to individuals or households changed? (Please include loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use, whether new or used. Please exclude loans to finance fleet sales, personal cash loans secured by automobiles already paid for, loans to finance the purchase of commercial vehicles and farm equipment, and lease financing.)

	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	82.7	23	76.7	20	90.9
Eased somewhat	9	17.3	7	23.3	2	9.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100.0	30	100.0	22	100.0

27. 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	51	92.7	31	93.9	20	90.9
Eased somewhat	4	7.3	2	6.1	2	9.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	100.0

28. 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	2.6	0	0.0	1	7.1
Remained basically unchanged	35	89.7	22	88.0	13	92.9
Eased somewhat	3	7.7	3	12.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	39	100.0	25	100.0	14	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	2	5.1	1	4.0	1	7.1
Remained basically unchanged	34	87.2	23	92.0	11	78.6
Eased somewhat	3	7.7	1	4.0	2	14.3
Eased considerably	0	0.0	0	0.0	0	0.0
Total	39	100.0	25	100.0	14	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	2.6	1	4.0	0	0.0
Remained basically unchanged	37	94.9	24	96.0	13	92.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	1	2.6	0	0.0	1	7.1
Total	39	100.0	25	100.0	14	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	2	5.1	1	4.0	1	7.1
Remained basically unchanged	37	94.9	24	96.0	13	92.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	39	100.0	25	100.0	14	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	2	5.1	2	8.0	0	0.0
Remained basically unchanged	36	92.3	23	92.0	13	92.9
Eased somewhat	1	2.6	0	0.0	1	7.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	39	100.0	25	100.0	14	100.0

29. 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. 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	45	88.2	25	83.3	20	95.2
Eased somewhat	6	11.8	5	16.7	1	4.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	30	100.0	21	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	3	5.9	3	10.0	0	0.0
Remained basically unchanged	29	56.9	18	60.0	11	52.4
Eased somewhat	18	35.3	9	30.0	9	42.9
Eased considerably	1	2.0	0	0.0	1	4.8
Total	51	100.0	30	100.0	21	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	49	96.1	29	96.7	20	95.2
Eased somewhat	2	3.9	1	3.3	1	4.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	30	100.0	21	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	49	96.1	28	93.3	21	100.0
Eased somewhat	2	3.9	2	6.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	30	100.0	21	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	48	94.1	28	93.3	20	95.2
Eased somewhat	3	5.9	2	6.7	1	4.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100.0	30	100.0	21	100.0

30. 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	53	100.0	32	100.0	21	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100.0	32	100.0	21	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	3	5.6	2	6.1	1	4.8
Remained basically unchanged	43	79.6	30	90.9	13	61.9
Eased somewhat	7	13.0	1	3.0	6	28.6
Eased considerably	1	1.9	0	0.0	1	4.8
Total	54	100.0	33	100.0	21	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	53	98.1	33	100.0	20	95.2
Eased somewhat	1	1.9	0	0.0	1	4.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	33	100.0	21	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	53	98.1	33	100.0	20	95.2
Eased somewhat	1	1.9	0	0.0	1	4.8
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	33	100.0	21	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	1	1.9	1	3.0	0	0.0
Remained basically unchanged	53	98.1	32	97.0	21	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	54	100.0	33	100.0	21	100.0

31. 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	1	2.5	1	3.8	0	0.0
Moderately stronger	7	17.5	5	19.2	2	14.3
About the same	31	77.5	20	76.9	11	78.6
Moderately weaker	1	2.5	0	0.0	1	7.1
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	40	100.0	26	100.0	14	100.0

32. 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	3	5.9	2	6.7	1	4.8
Moderately stronger	16	31.4	9	30.0	7	33.3
About the same	31	60.8	19	63.3	12	57.1
Moderately weaker	1	2.0	0	0.0	1	4.8
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	51	100.0	30	100.0	21	100.0

33. 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	1	1.8	0	0.0	1	4.5
Moderately stronger	8	14.5	6	18.2	2	9.1
About the same	46	83.6	27	81.8	19	86.4
Moderately weaker	0	0.0	0	0.0	0	0.0
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	55	100.0	33	100.0	22	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, 2011. The combined assets of the 36 large banks totaled $7.5 trillion, compared to $7.7 trillion for the entire panel of 58 banks, and $11.1 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 2012)

***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	2	8.7
Remained basically unchanged	21	91.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	23	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	3	13.0
Remained basically unchanged	19	82.6
Eased somewhat	1	4.3
Eased considerably	0	0.0
Total	23	100.0

b. Maximum maturity of loans or credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.3
Remained basically unchanged	21	91.3
Eased somewhat	1	4.3
Eased considerably	0	0.0
Total	23	100.0

c. Costs of credit lines

	All Respondents	
	Banks	**Percent**
Tightened considerably	1	4.3
Tightened somewhat	5	21.7
Remained basically unchanged	15	65.2
Eased somewhat	2	8.7
Eased considerably	0	0.0
Total	23	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	2	9.1
Remained basically unchanged	17	77.3
Eased somewhat	3	13.6
Eased considerably	0	0.0
Total	22	100.0

e. Premiums charged on riskier loans

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.5
Remained basically unchanged	19	86.4
Eased somewhat	2	9.1
Eased considerably	0	0.0
Total	22	100.0

f. Loan covenants

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	91.3
Eased somewhat	2	8.7
Eased considerably	0	0.0
Total	23	100.0

g. Collateralization requirements

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.3
Remained basically unchanged	22	95.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	23	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	19	95.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	20	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	4	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	4	100.0

b. Less favorable or more uncertain economic outlook

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

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

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

e. Reduced tolerance for risk

	All Respondents	
	Banks	Percent
Not important	2	40.0
Somewhat important	2	40.0
Very important	1	20.0
Total	5	100.0

f. Decreased liquidity in the secondary market for these loans

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

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

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

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

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

b. More favorable or less uncertain economic outlook

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

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

	All Respondents	
	Banks	**Percent**
Not important	4	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	4	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	40.0
Somewhat important	3	60.0
Very important	0	0.0
Total	5	100.0

e. Increased tolerance for risk

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

f. Increased liquidity in the secondary market for these loans

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

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

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

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

	All Respondents	
	Banks	Percent
Not important	4	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	4	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	0	0.0
About the same	19	86.4
Moderately weaker	3	13.6
Substantially weaker	0	0.0
Total	22	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	0	--
Somewhat important	0	--
Very important	0	--
Total	0	--

b. Customer accounts receivable financing needs increased

	All Respondents	
	Banks	**Percent**
Not important	0	--
Somewhat important	0	--
Very important	0	--
Total	0	--

c. Customer investment in plant or equipment increased

	All Respondents	
	Banks	**Percent**
Not important	0	--
Somewhat important	0	--
Very important	0	--
Total	0	--

d. Customer internally generated funds decreased

	All Respondents	
	Banks	**Percent**
Not important	0	--
Somewhat important	0	--
Very important	0	--
Total	0	--

e. Customer merger or acquisition financing needs increased

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

b. Customer accounts receivable financing needs decreased

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

c. Customer investment in plant or equipment decreased

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

d. Customer internally generated funds increased

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

e. Customer merger or acquisition financing needs decreased

	All Respondents	
	Banks	**Percent**
Not important	1	50.0
Somewhat important	1	50.0
Very important	0	0.0
Total	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	
	Banks	**Percent**
Not important	2	66.7
Somewhat important	1	33.3
Very important	0	0.0
Total	3	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	4	18.2
The number of inquiries has stayed about the same	15	68.2
The number of inquiries has decreased moderately	3	13.6
The number of inquiries has decreased substantially	0	0.0
Total	22	100.0

The ongoing fiscal and financial strains in Europe may have affected lending conditions for nonfinancial companies that have operations in the United States and significant exposure to European economies, as well as banks headquartered in Europe and their affiliates and subsidiaries. ***Question 7*** *deals with changes in your bank's lending policies toward both types of firms over the past three months. In addition, developments in Europe may have affected these firms' demand for credit from U.S. banks.* ***Question 8*** *deals with such changes in demand.*

In answering these questions, please consider your bank's C&I lending to all nonfinancial companies with operations in the United States and significant exposure to European economies (for example, please consider your bank's C&I loans both to operations of European firms that are located in the United States and to domestic firms that conduct a significant portion of their business with European firms). With regard to banks, please consider banks headquartered in Europe and affiliates and subsidiaries of European banks regardless of the location of those affiliates and subsidiaries.

7. Over the past three months, how have your bank's credit standards and terms for approving applications for loans or credit lines—other than those to be used to finance mergers and acquisitions—for the following types of firms changed?

A. Nonfinancial companies that have operations in the United States and significant exposure to European economies (as described in the introduction to these special questions)

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

For this question, 1 respondent answered “My bank does not make loans or extend credit lines to nonfinancial companies that have operations in the United States and significant exposure to European economies.”

B. Banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions)

	All Respondents	
	Banks	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	4	23.5
Remained basically unchanged	12	70.6
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	17	100.0

For this question, 4 respondents answered "My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries."

8. Over the past three months and apart from normal seasonal variation, how has demand for loans at your bank from the following types of firms changed? (Please consider only funds actually disbursed as opposed to requests for new or increased lines of credit.)

A. Nonfinancial companies with operations in the United States and significant exposures to European economies (as described in the introduction to these special questions)

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	0	0.0
About the same	21	100.0
Moderately weaker	0	0.0
Substantially weaker	0	0.0
Total	21	100.0

For this question, 1 respondent answered "My bank does not make loans or extend credit lines to nonfinancial companies that have operations in the United States and significant exposure to European economies."

B. Banks headquartered in Europe and their affiliates and subsidiaries (as described in the introduction to these special questions)

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	0	0.0
About the same	15	88.2
Moderately weaker	2	11.8
Substantially weaker	0	0.0
Total	17	100.0

For this question, 4 respondents answered “My bank does not make loans or extend credit lines to banks headquartered in Europe or their affiliates or subsidiaries.”

Questions 9-10 *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 9 deals with changes in your bank's standards over the past three months. Question 10 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.*

9. 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	1	6.7
Tightened somewhat	0	0.0
Remained basically unchanged	13	86.7
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	15	100.0

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

	All Respondents	
	Banks	**Percent**
Substantially stronger	0	0.0
Moderately stronger	3	20.0
About the same	9	60.0
Moderately weaker	3	20.0
Substantially weaker	0	0.0
Total	15	100.0

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1. As of December 31, 2011, the 23 respondents had combined assets of $1.1 trillion, compared to $2.1 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.