



Lending Survey for Institutions Participating in the Small Business Lending Fund

INSTRUCTIONS

Treasury appreciates your institution's accurate and timely completion of this survey. Completion of this survey is required by Section 3.1(c)(ii)(D) of your Securities Purchase Agreement. This survey includes questions about your institution's small business lending policies and practices, its use of SBLF funding, and its efforts to engage in outreach activities with respect to small business lending. The survey questions are directed towards activities that have occurred over the past year, defined as the four consecutive calendar quarters ended June 30, 2012. Please answer all questions completely and accurately.

Definition of Small Business Lending: For the purpose of this survey, small business lending means the "Qualified Small Business Lending" that your institution reports on the Supplemental Reports it submits to Treasury. Such lending includes business loans that are (a) \$10 million or less in amount to businesses with \$50 million or less in revenue and (b) included in one of the following categories: (i) commercial and industrial loans, (ii) owner-occupied nonfarm, nonresidential real estate loans, (iii) loans to finance agricultural production and other loans to farmers, and (iv) loans secured by farmland; in each case, subject to the adjustments for Qualified Small Business Lending provided for in the Supplemental Reports.

SUBMISSION OF THIS SURVEY

Please submit this annual Lending Survey by August 22, 2012 by electronically entering the report data directly into the Report and emailing the completed copy to Treasury at SBLFComplSubmissions@treasury.gov. For institutions using digital signatures, the completed electronic survey is submitted as a single document. For institutions using handwritten signatures, both the completed electronic survey and a scanned copy of the entire survey, including the signature page, must be submitted.

FREEDOM OF INFORMATION ACT

Please note that any information submitted by participants may become subject to public disclosure pursuant to the terms of the Freedom of Information Act, 5 U.S.C. 552 (FOIA) and its exemptions. Nevertheless, Treasury's FOIA regulation, 31 C.F.R. 1.1 et seq., provides that, in certain cases, businesses that submit information to Treasury shall receive notice of a pending FOIA request for that information, as well as an opportunity to object to the disclosure of any or all of that information on the grounds that the information either qualifies for withholding under FOIA Exemption 4. See 31 C.F.R. 1.6.

To facilitate this business submitter notification process, Treasury encourages respondents to designate any such information that they believe, in good faith, is subject to FOIA Exemption 4. Such designations will help Treasury to recognize instances in which business submitter notification may be appropriate. Treasury reserves sole discretion to determine whether such designated information indeed qualifies for business submitter notification and, ultimately, whether it qualifies for withholding pursuant to FOIA Exemption 4. If you wish to identify any information in this survey that you believe is subject to FOIA Exemption 4, please identify that information and the reasons for your request on attached pages.

QUESTIONS

Please email SBLFinstitutions@treasury.gov or call (888) 832-1147 if you have any questions regarding the completion of this survey.

SIGNATURE

I attest that this annual Lending Survey is prepared in conformance with the instructions issued by the Treasury, fully completed, and is true and correct to the best of my knowledge and belief.

Signature _____ Date _____ Name _____ Title _____

Name of Institution _____ City _____ State _____ Zip _____

SBLF# [] [] [] [] []

The Federal Government may not collect, and the public is not required to respond to, a collection of information that does not display a currently valid OMB Control Number. The control number for this collection is xxxx-xxxx. The public reporting burden for this information collection is estimated to average 8 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. This information collection is set to expire on [XX].

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Part I. Small Business Lending Policies

For **Questions 1-5**, please select one button in each row that most closely describes the change in lending policies or lending demand. Please do not select more than one button in any given row.

Questions 1-3 request information regarding changes in your institution's small business lending policies over the past year. If your institution's small business lending policies have not changed over the past year, please report them as unchanged even if the policies are either restrictive or accommodative relative to longer-term norms. If your institution's policies have tightened or eased over the past year, please 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 year, how have your institution's credit standards changed for approving applications for loans or lines of credit—other than those used to finance mergers and acquisitions—that qualify as small business lending?

	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably
a) Commercial and Industrial					
b) Nonfarm, non-residential owner-occupied real estate					
c) Loans secured by farmland					
d) Loans to support agricultural production					
e) Overall small business lending					

- 2) For applications for loans or lines of credit that your institution is currently willing to approve—other than those used to finance mergers and acquisitions—that qualify as small business lending, how have the terms of those loans or lines of credit changed over the past year?

	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably
a) Maximum size of loans or lines of credit					
b) Maximum maturity of loans or lines of credit					
c) Cost of lines of credit					
d) Spreads of loan rates over your institution's cost of funds (wider spreads=tightened, narrower spreads=eased)					
e) Premiums charged on riskier loans					
f) Terms of loans or lines of credit covenants					
g) Collateralization requirements					
h) Use of interest rate floors (more use=tightened, less use=eased)					

- 3) If your institution has tightened or eased its credit standards or its terms for loans or lines of credit that qualify as small business lending over the past year (as described in questions 1 and 2), how important have been the following possible reasons for the change?

- A) If your institution has tightened credit standards or terms:

	Not important	Somewhat important	Very important
a) Deterioration in your institution's current or expected capital position			
b) Less favorable or more uncertain economic outlook			
c) Worsening of industry-specific problems (please specify industries in space below)			
d) Less aggressive competition from other institutions			
e) Reduced tolerance for risk			
f) Decreased liquidity in the secondary market for these loans			
g) Deterioration in your institution's current or expected liquidity position			
h) Increased concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards			

- B) If your institution has eased credit standards or terms:

	Not important	Somewhat important	Very important
a) Improvement in your institution's current or expected capital position as a result of participation in SBLF			
b) Improvement in your institution's current or expected capital position from sources other than SBLF funding			
c) More favorable or less uncertain economic outlook			
d) Improvement in industry-specific problems (please specify industries in space below)			
e) More aggressive competition from other banks or nonbank lenders (other financial intermediaries or the capital markets)			
f) Increased tolerance for risk			
g) Increased liquidity in the secondary market for these loans			
h) Improvement in your institution's current or expected liquidity position			

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i) Reduced concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards			
j) Dividend or interest rate incentive provided by SBLF funding			

If either "improvement" or "worsening" of industry-specific problems is selected above, please specify industries and problems:

4) How has demand for loans that qualify as small business lending changed over the past year? (Please consider only funds actually disbursed, as opposed to requests for new or increased lines of credit.)

	Substantially stronger	Moderately stronger	About the same	Moderately weaker	Substantially weaker
a) Commercial and Industrial					
b) Nonfarm, non-residential owner-occupied real estate					
c) Loans secured by farmland					
d) Loans to support agricultural production					
e) Overall small business lending					

5) If demand for loans that qualify as small business lending has strengthened or weakened over the past year (as described in question (4)), how important have been the following possible reasons for the change?

A) If demand for loans that qualify as small business lending has strengthened:

	Not important	Somewhat important	Very important
a) Customer inventory financing needs increased			
b) Customer accounts receivable financing needs increased			
c) Customer investment in plant or equipment increased			
d) Customer internally generated funds decreased			
e) Customer merger or acquisition financing needs increased			
f) Customer borrowing shifted to your bank from other bank or nonbank sources because these other sources became less attractive			

B) If demand for loans that qualify as small business lending has weakened:

	Not important	Somewhat important	Very important
a) Customer inventory financing needs decreased			
b) Customer accounts receivable financing needs decreased			
c) Customer investment in plant or equipment decreased			
d) Customer internally generated funds increased			
e) Customer merger or acquisition financing needs decreased			
f) Customer borrowing shifted from your bank to other bank or nonbank credit sources because these other sources became more attractive			

6) At your institution, how has the number of inquiries for new small business lending commitments or increases in outstanding small business lending commitments changed over the past year? Please select one of the following buttons:

a) The number of inquiries has increased substantially	
b) The number of inquiries has increased moderately	
c) The number of inquiries has stayed about the same	
d) The number of inquiries has decreased moderately	
e) The number of inquiries has decreased substantially	

Questions 7-9 ask about your institution's practices regarding applications for and approvals of loans and lines of credit that qualify as small business lending over the past year.

7) How significant have the following possible obstacles been in increasing your institution's small business lending over the past year?

	Not significant	Somewhat significant	Very significant
a) Collateral – small businesses lack the assets required for use as security			
b) Returns – small businesses cannot generate high enough returns to attract risk investors or have insufficiently high levels of profitability, liquidity, stability, or other financial performance metric			
c) Risks – small businesses lack satisfactory business plans or are risky for other reasons			

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d) Other			
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If "Other" is selected, please describe:

8) Over the past year, estimate the percentage of the total dollar value of new small business lending commitments or increases in outstanding small business lending commitments that your institution has extended to borrowers in each of the following categories of businesses (the sum of the categories should total 100%):

a) Manufacturing companies	%
b) Construction companies	%
c) Transportation companies	%
d) Communication companies	%
e) Wholesale trade enterprises	%
f) Retail trade enterprises	%
g) Service enterprises	%
h) Agricultural enterprises	%
i) Other businesses	%
Total	%

9) Please provide the information requested in the following chart for loans and lines of credit that your institution considered or made over the past year and qualify as small business lending:

	Commercial and industrial loans	Owner-occupied nonfarm, nonresidential real estate loans	Loans to finance agricultural production and other loans to farmers	Loans secured by farmland
a) Total <u>number</u> of loan applications considered				
i. New commitments or increases in outstanding commitments				
ii. Renewals or extensions of outstanding commitments				
b) Total <u>number</u> of loans made				
i. New commitments or increases in outstanding commitments				
ii. Renewals or extensions of outstanding commitments				
c) Total <u>dollar value</u> of loans made				
i. New commitments or increases in outstanding commitments				
ii. Renewals or extensions of outstanding commitments				
d) <u>Number</u> of loans made by size				
i. \$100,000 or less				
ii. More than \$100,000 up to \$250,000				
iii. More than \$250,000 up to \$1,000,000				
iv. More than \$1,000,000 up to \$10,000,000				
v. More than \$10,000,000 up to \$20,000,000				
vi. More than \$20,000,000 up to \$50,000,000				
e) <u>Dollar value</u> of loans made by size - specify in thousands (\$000s)				
i. \$100,000 or less				
ii. More than \$100,000 up to \$250,000				
iii. More than \$250,000 up to \$1,000,000				
iv. More than \$1,000,000 up to \$10,000,000				
v. More than \$10,000,000 up to \$20,000,000				
vi. More than \$20,000,000 up to \$50,000,000				
f) <u>Dollar value</u> of loans made by length of term in past year				
i. Less than one year				
ii. One-to-two years				
iii. More than two years				

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g) Dollar value of loans made by type of interest rate				
i. Fixed				
ii. Floating (percentage points over LIBOR)				
h) Average interest rate of loans made by type				
i. Fixed		%	%	%
ii. Floating (percentage points over LIBOR)		%	%	%

Part II. Use of SBLF Funding

Please provide your institution’s most complete response to the following questions. Treasury understands that the cash associated with SBLF funding may not be readily distinguishable from other cash sources and that your institution may need to estimate how the SBLF funding was deployed or how many SBLF dollars were allocated to each use.

- 10) Over the past year, what action(s) was your institution able to take that your institution may not have taken without the SBLF funding? (Please select all responses in the following chart that apply to your institution. In the box below the chart, elaborate on each action(s) as appropriate.)

a) Increase <u>small business lending</u> or reduce it by less than otherwise would have occurred	
b) Increase <u>other business lending</u> or reduce it by less than otherwise would have occurred	
c) Increase <u>other lending</u> or reduce it by less than otherwise would have occurred	
d) Increase securities purchased (ABS, MBS, etc.)	
e) Make other investments	
f) Increase reserves for non-performing assets	
g) Reduce borrowings	
h) Increase charge-offs	
i) Purchase another financial institution or purchase assets from another financial institution	
j) Held as non-leveraged increase in total capital	
k) Pay dividends or redeem outstanding equity or debt	
l) Other	

For each action(s) your institution selected above, please estimate the magnitude and elaborate as appropriate, especially if the action(s) has changed over the past year.

- 11) Given your experience with the SBLF program to date, provide an updated estimate of the dollar amount of the increase in small business lending that your institution projects achieving two years following Treasury’s investment (your institution provided its initial estimate on its small business lending plan that was submitted to your federal banking agency with its application).

If this estimate represents a change from your institution’s initial estimate, please describe the reason(s) for this change.

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Part III. Small Business Outreach Activities

Per Section 4103(d)(8) of the Small Business Jobs Act of 2010, SBLF participants are required to provide linguistically and culturally appropriate outreach and advertising describing the availability and application process of receiving loans through the use of print, radio, television, or electronic media outlets that target organizations, trade associations, and individuals that represent or work with or are (a) members of minority communities, (b) women, and/or (c) veterans.

12) Over the past year, how has your institution engaged in outreach and advertising designed to target such groups:

Please select the buttons in each row corresponding to the groups toward which your institution has targeted the outreach and advertising activities listed at the following table. If your institution clicks on the row marked "other," please describe these outreach and advertising activities in the space provided below the table.

	Members of minority communities	Women	Veterans
a) No activities			
b) Paid advertisement or notices in print, radio, TV, or electronic media communications			
c) Outreach to media outlets, press, or reporters			
d) Membership or participation in community organizations and/or trade associations			
e) Distributing marketing materials targeted to these groups			
f) Hiring or training staff to conduct outreach to these groups			
g) Other			

If "other" is selected, please describe:

13) Please describe the outreach activities noted in Question 12 and their results, if any.

14) Please estimate the expenditures over the past year associated with the outreach and advertising activities for the groups detailed in Question 12, above.

a) Members of minority communities	
b) Women	
c) Veterans	
d) Other small business-related.	