**SENIOR CREDIT OFFICER OPINION SURVEY**

**On Dealer Financing Terms**

**Counterparty Types**

Questions 1 through 40 ask about credit terms applicable to, and mark and collateral disputes with, different counterparty types, considering the entire range of securities financing and over-the-counter (OTC) derivatives transactions. Question 1 focuses on dealers and other financial intermediaries as counterparties; questions 2 and 3 on central counterparties and other financial utilities; questions 4 through 10 focus on hedge funds; questions 11 through 16 on trading real estate investment trusts (REITs);   
questions 17 through 22 on mutual funds, exchange-traded funds (ETFs), pension plans, and endowments; questions 23 through 28 on insurance companies;   
questions 29 through 34 on separately managed accounts established with investment advisers; and questions 35 through 38 on nonfinancial corporations. Questions 39 and 40 ask about mark and collateral disputes for each of the aforementioned counterparty types.

In some questions, the survey differentiates between the compensation demanded for bearing credit risk (price terms) and the contractual provisions used to mitigate exposures (nonprice terms). If your institution’s terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space. Where material differences exist across different business areas, for example between traditional prime brokerage and OTC derivatives, please answer with regard to the business area generating the most exposure and explain in the appropriate comment space.

Dealers and Other Financial Intermediaries

1. Over the past three months, how has the amount of resources and attention your firm devotes to management of concentrated credit exposure to dealers and other financial intermediaries (such as large banking institutions) changed?
2. Increased considerably
3. Increased somewhat
4. Remained basically unchanged
5. Decreased somewhat
6. Decreased considerably

Central Counterparties and Other Financial Utilities

1. Over the past three months, how has the amount of resources and attention your firm devotes to management of concentrated credit exposure to central counterparties and other financial utilities changed?
2. Increased considerably
3. Increased somewhat
4. Remained basically unchanged
5. Decreased somewhat
6. Decreased considerably
7. To what extent have changes in the practices of central counterparties, including margin requirements and haircuts, influenced the credit terms your institution applies to clients on bilateral transactions which are not cleared?
8. To a considerable extent
9. To some extent
10. To a minimal extent
11. Not at all

Hedge Funds

1. Over the past three months, how have the price terms (for example, financing rates) offered to hedge funds as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)
2. Tightened considerably
3. Tightened somewhat
4. Remained basically unchanged
5. Eased somewhat
6. Eased considerably
7. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions or other documentation features) with respect to hedge funds across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)
8. Tightened considerably
9. Tightened somewhat
10. Remained basically unchanged
11. Eased somewhat
12. Eased considerably
13. To the extent that the price or nonprice terms applied to hedge funds have tightened or eased over the past three months (as reflected in your responses to questions 4 and 5), what are the most important reasons for the change? (Please respond to A (if you indicated a tightening in responding to either of the two preceding questions), B (if you indicated an easing in responding to either of the two preceding questions), or both, as appropriate. Please select no more than three reasons, indicating the most important with a “1,” the next most important with a “2,” and so on.)
14. Possible reasons for tightening
15. Deterioration in current or expected financial strength of counterparties
16. Reduced willingness of your institution to take on risk
17. Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
18. Higher internal treasury charges for funding
19. Diminished availability of balance sheet or capital at your institution
20. Worsening in general market liquidity and functioning
21. Less-aggressive competition from other institutions
22. Other (please specify)

B. Possible reasons for easing

1. Improvement in current or expected financial strength of counterparties
2. Increased willingness of your institution to take on risk
3. Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
4. Lower internal treasury charges for funding
5. Increased availability of balance sheet or capital at your institution
6. Improvement in general market liquidity and functioning
7. More-aggressive competition from other institutions
8. Other (please specify)
9. How has the intensity of efforts by hedge funds to negotiate more-favorable price and nonprice terms changed over the past three months?
10. Increased considerably
11. Increased somewhat
12. Remained basically unchanged
13. Decreased somewhat
14. Decreased considerably
15. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by hedge funds changed over the past three months?
16. Increased considerably
17. Increased somewhat
18. Remained basically unchanged
19. Decreased somewhat
20. Decreased considerably
21. Considering the entire range of transactions facilitated by your institution for such clients, how has the availability of additional (and currently unutilized) financial leverage under agreements currently in place with hedge funds (for example, under prime broker, warehouse agreements, and other committed but undrawn or partly drawn facilities) changed over the past three months?
22. Increased considerably
23. Increased somewhat
24. Remained basically unchanged
25. Decreased somewhat
26. Decreased considerably
27. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) hedge funds changed over the past three months?
28. Increased considerably
29. Increased somewhat
30. Remained basically unchanged
31. Decreased somewhat
32. Decreased considerably
33. Not applicable as the client base is essentially homogeneous

Trading Real Estate Investment Trusts[[1]](#footnote-1)

1. Over the past three months, how have the price terms (for example, financing rates) offered to trading REITs as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)
2. Tightened considerably
3. Tightened somewhat
4. Remained basically unchanged
5. Eased somewhat
6. Eased considerably
7. Not applicable (that is, your institution has few or no trading REIT clients)
8. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions or other documentation features) with respect to trading REITs across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)
9. Tightened considerably
10. Tightened somewhat
11. Remained basically unchanged
12. Eased somewhat
13. Eased considerably
14. Not applicable (that is, your institution has few or no trading REIT clients)
15. To the extent that the price or nonprice terms applied to trading REITs have tightened or eased over the past three months (as reflected in your responses to questions 11 and 12), what are the most important reasons for the change? (Please respond to A (if you indicated a tightening in responding to either of the two preceding questions), B (if you indicated a loosening in responding to either of the two preceding questions), or both, as appropriate. Please select no more than three reasons, indicating the most important with a “1,” the next most important with a “2,” and so on.)
16. Possible reasons for tightening
17. Deterioration in current or expected financial strength of counterparties
18. Reduced willingness of your institution to take on risk
19. Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
20. Higher internal treasury charges for funding
21. Diminished availability of balance sheet or capital at your institution
22. Worsening in general market liquidity and functioning
23. Less-aggressive competition from other institutions
24. Other (please specify)

B. Possible reasons for easing

1. Improvement in current or expected financial strength of counterparties
2. Increased willingness of your institution to take on risk
3. Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
4. Lower internal treasury charges for funding
5. Increased availability of balance sheet or capital at your institution
6. Improvement in general market liquidity and functioning
7. More-aggressive competition from other institutions
8. Other (please specify)
9. How has the intensity of efforts by trading REITs to negotiate more-favorable price and nonprice terms changed over the past three months?
10. Increased considerably
11. Increased somewhat
12. Remained basically unchanged
13. Decreased somewhat
14. Decreased considerably
15. Not applicable (that is, your institution has few or no trading REIT clients)
16. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by trading REITs changed over the past three months?
17. Increased considerably
18. Increased somewhat
19. Remained basically unchanged
20. Decreased somewhat
21. Decreased considerably
22. Not applicable (that is, your institution has few or no trading REIT clients)
23. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) trading REITs changed over the past three months?
24. Increased considerably
25. Increased somewhat
26. Remained basically unchanged
27. Decreased somewhat
28. Decreased considerably
29. Not applicable (that is, the client base is essentially homogeneous or your institution has few or no trading REIT clients)

Mutual Funds, Exchange-Traded Funds, Pension Plans, and Endowments

1. Over the past three months, how have the price terms (for example, financing rates) offered to mutual funds, ETFs, pension plans, and endowments as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)
2. Tightened considerably
3. Tightened somewhat
4. Remained basically unchanged
5. Eased somewhat
6. Eased considerably
7. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions or other documentation features) with respect to mutual funds, ETFs, pension plans, and endowments across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)
8. Tightened considerably
9. Tightened somewhat
10. Remained basically unchanged
11. Eased somewhat
12. Eased considerably
13. To the extent that the price or nonprice terms applied to mutual funds, ETFs, pension plans, and endowments have tightened or eased over the past three months (as reflected in your responses to questions 16 and 17), what are the most important reasons for the change? (Please respond to A (if you indicated a tightening in responding to either of the two preceding questions), B (if you indicated an easing in responding to either of the two preceding questions), or both, as appropriate. Please select no more than three reasons, indicating the most important with a “1,” the next most important with a “2,” and so on.)
14. Possible reasons for tightening
15. Deterioration in current or expected financial strength of counterparties
16. Reduced willingness of your institution to take on risk
17. Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
18. Higher internal treasury charges for funding
19. Diminished availability of balance sheet or capital at your institution
20. Worsening in general market liquidity and functioning
21. Less-aggressive competition from other institutions
22. Other (please specify)

B. Possible reasons for easing

1. Improvement in current or expected financial strength of counterparties
2. Increased willingness of your institution to take on risk
3. Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
4. Lower internal treasury charges for funding
5. Increased availability of balance sheet or capital at your institution
6. Improvement in general market liquidity and functioning
7. More-aggressive competition from other institutions
8. Other (please specify)
9. How has the intensity of efforts by mutual funds, ETFs, pension plans, and endowments to negotiate more-favorable price and nonprice terms changed over the past three months?
10. Increased considerably
11. Increased somewhat
12. Remained basically unchanged
13. Decreased somewhat
14. Decreased considerably
15. Considering the entire range of transactions facilitated by your institution, how has the use of financial leverage by each of the following types of clients changed over the past three months? (Please respond using the following scale:   
    1 = increased considerably, 2 = increased somewhat, 3 = remained basically unchanged, 4 = decreased somewhat, 5 = decreased considerably, or n/a = not applicable.)
16. Mutual funds
17. ETFs
18. Pension plans
19. Endowments

1. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) mutual funds, ETFs, pension plans, and endowments changed over the past three months?
2. Increased considerably
3. Increased somewhat
4. Remained basically unchanged
5. Decreased somewhat
6. Decreased considerably
7. Not applicable as the client base is essentially homogeneous

Insurance Companies

1. Over the past three months, how have the price terms (for example, financing rates) offered to insurance companies as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)
2. Tightened considerably
3. Tightened somewhat
4. Remained basically unchanged
5. Eased somewhat
6. Eased considerably
7. Not applicable (that is, your institution has few or no insurance company clients)
8. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions or other documentation features) with respect to insurance companies across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)
9. Tightened considerably
10. Tightened somewhat
11. Remained basically unchanged
12. Eased somewhat
13. Eased considerably
14. Not applicable (that is, your institution has few or no insurance company clients)
15. To the extent that the price or nonprice terms applied to insurance companies have tightened or eased over the past three months (as reflected in your responses to questions 22 and 23), what are the most important reasons for the change? (Please respond to A (if you indicated a tightening in responding to either of the two preceding questions), B (if you indicated an easing in responding to either of the two preceding questions), or both, as appropriate. Please select no more than three reasons, indicating the most important with a “1,” the next most important with a “2,” and so on.)
16. Possible reasons for tightening
17. Deterioration in current or expected financial strength of counterparties
18. Reduced willingness of your institution to take on risk
19. Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
20. Higher internal treasury charges for funding
21. Diminished availability of balance sheet or capital at your institution
22. Worsening in general market liquidity and functioning
23. Less-aggressive competition from other institutions
24. Other (please specify)

B. Possible reasons for easing

1. Improvement in current or expected financial strength of counterparties
2. Increased willingness of your institution to take on risk
3. Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
4. Lower internal treasury charges for funding
5. Increased availability of balance sheet or capital at your institution
6. Improvement in general market liquidity and functioning
7. More-aggressive competition from other institutions
8. Other (please specify)
9. How has the intensity of efforts by insurance companies to negotiate more-favorable price and nonprice terms changed over the past three months?
10. Increased considerably
11. Increased somewhat
12. Remained basically unchanged
13. Decreased somewhat
14. Decreased considerably
15. Not applicable (that is, your institution has few or no insurance company clients)
16. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by insurance companies changed over the past three months?
17. Increased considerably
18. Increased somewhat
19. Remained basically unchanged
20. Decreased somewhat
21. Decreased considerably
22. Not applicable (that is, your institution has few or no insurance company clients)
23. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) insurance companies changed over the past three months?
24. Increased considerably
25. Increased somewhat
26. Remained basically unchanged
27. Decreased somewhat
28. Decreased considerably
29. Not applicable (that is, the client base is essentially homogeneous or your institution has few or no insurance company clients)

Separately Managed Accounts Established with Investment Advisers

1. Over the past three months, how have the price terms (for example, financing rates) offered to separately managed accounts established with investment advisers as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)
2. Tightened considerably
3. Tightened somewhat
4. Remained basically unchanged
5. Eased somewhat
6. Eased considerably
7. Not applicable (that is, your institution has few or no such clients)
8. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions or other documentation features) with respect to separately managed accounts established with investment advisers across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)
9. Tightened considerably
10. Tightened somewhat
11. Remained basically unchanged
12. Eased somewhat
13. Eased considerably
14. Not applicable (that is, your institution has few or no such clients)
15. To the extent that the price or nonprice terms applied to separately managed accounts established with investment advisers have tightened or eased over the past three months (as reflected in your responses to questions 28 and 29), what are the most important reasons for the change? (Please respond to A (if you indicated a tightening in responding to either of the two preceding questions), B (if you indicated an easing in responding to either of the two preceding questions), or both, as appropriate. Please select no more than three reasons, indicating the most important with a “1,” the next most important with a “2,” and so on.)
16. Possible reasons for tightening
17. Deterioration in current or expected financial strength of counterparties
18. Reduced willingness of your institution to take on risk
19. Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
20. Higher internal treasury charges for funding
21. Diminished availability of balance sheet or capital at your institution
22. Worsening in general market liquidity and functioning
23. Less-aggressive competition from other institutions
24. Other (please specify)

B. Possible reasons for easing

1. Improvement in current or expected financial strength of counterparties
2. Increased willingness of your institution to take on risk
3. Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
4. Lower internal treasury charges for funding
5. Increased availability of balance sheet or capital at your institution
6. Improvement in general market liquidity and functioning
7. More-aggressive competition from other institutions
8. Other (please specify)
9. How has the intensity of efforts by investment advisers to negotiate more-favorable price and nonprice terms on behalf of separately managed accounts changed over the past three months?
10. Increased considerably
11. Increased somewhat
12. Remained basically unchanged
13. Decreased somewhat
14. Decreased considerably
15. Not applicable (that is, your institution has few or no such clients)
16. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by separately managed accounts established with investment advisers changed over the past three months?
17. Increased considerably
18. Increased somewhat
19. Remained basically unchanged
20. Decreased somewhat
21. Decreased considerably
22. Not applicable (that is, your institution has few or no such clients)
23. How has the provision of differential terms by your institution to separately managed accounts established with most-favored (as a function of breadth, duration, and extent of relationship) investment advisers changed over the past three months?
24. Increased considerably
25. Increased somewhat
26. Remained basically unchanged
27. Decreased somewhat
28. Decreased considerably
29. Not applicable (that is, the client base is essentially homogeneous or your institution has few or no such clients)

Nonfinancial Corporations

1. Over the past three months, how have the price terms (for example, financing rates) offered to nonfinancial corporations as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)
2. Tightened considerably
3. Tightened somewhat
4. Remained basically unchanged
5. Eased somewhat
6. Eased considerably
7. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions or other documentation features) with respect to nonfinancial corporations across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent—for example, if haircuts have been increased.)
8. Tightened considerably
9. Tightened somewhat
10. Remained basically unchanged
11. Eased somewhat
12. Eased considerably
13. To the extent that the price or nonprice terms applied to nonfinancial corporations have tightened or eased over the past three months (as reflected in your responses to questions 34 and 35), what are the most important reasons for the change? (Please respond to A (if you indicated a tightening in responding to either of the two preceding questions), B (if you indicated an easing in responding to either of the two preceding questions), or both, as appropriate. Please select no more than three reasons, indicating the most important with a “1,” the next most important with a “2,” and so on.)
14. Possible reasons for tightening
15. Deterioration in current or expected financial strength of counterparties
16. Reduced willingness of your institution to take on risk
17. Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
18. Higher internal treasury charges for funding
19. Diminished availability of balance sheet or capital at your institution
20. Worsening in general market liquidity and functioning
21. Less-aggressive competition from other institutions
22. Other (please specify)

B. Possible reasons for easing

1. Improvement in current or expected financial strength of counterparties
2. Increased willingness of your institution to take on risk
3. Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)
4. Lower internal treasury charges for funding
5. Increased availability of balance sheet or capital at your institution
6. Improvement in general market liquidity and functioning
7. More-aggressive competition from other institutions
8. Other (please specify)
9. How has the intensity of efforts by nonfinancial corporations to negotiate more-favorable price and nonprice terms changed over the past three months?
10. Increased considerably
11. Increased somewhat
12. Remained basically unchanged
13. Decreased somewhat
14. Decreased considerably

Mark and Collateral Disputes

1. Over the past three months, how has the volume of mark and collateral disputes with clients of each of the following types changed? (Please respond using the following scale: 1 = increased considerably, 2 = increased somewhat,   
   3 = remained basically unchanged, 4 = decreased somewhat,   
   5 = decreased considerably, or n/a = not applicable.)
2. Dealers and other financial intermediaries
3. Hedge funds
4. Trading REITs
5. Mutual funds, ETFs, pension plans, and endowments
6. Insurance companies
7. Separately managed accounts established with investment advisers
8. Nonfinancial corporations
9. Over the past three months, how has the duration and persistence of mark and collateral disputes with clients of each of the following types changed? (Please respond using the following scale: 1 = increased considerably, 2 = increased somewhat, 3 = remained basically unchanged, 4 = decreased somewhat,  
   5 = decreased considerably, or n/a = not applicable.)
10. Dealers and other financial intermediaries
11. Hedge funds
12. Trading REITs
13. Mutual funds, ETFs, pension plans, and endowments
14. Insurance companies
15. Separately managed accounts established with investment advisers
16. Nonfinancial corporations

**Over-the-Counter Derivatives**

Questions 41 through 51 ask about OTC derivatives trades. Question 41 focuses on nonprice terms applicable to new and renegotiated master agreements. Questions 42 through 48 ask about the initial margin requirements for most-favored and average clients applicable to different types of contracts: Question 42 focuses on foreign exchange (FX); question 43 on interest rates; question 44 on equity; question 45 on contracts referencing corporate credits (single-name and indexes); question 46 on credit derivatives referencing structured products such as mortgage-backed securities (MBS) and asset-backed securities (ABS) (specific tranches and indexes); question 47 on commodities; and question 48 on total return swaps (TRS) referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans). Question 49 asks about posting of nonstandard collateral pursuant to OTC derivative contracts. Questions 50 and 51 focus on mark and collateral disputes involving contracts of each of the aforementioned types.

If your institution’s terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space.

New and Renegotiated Master Agreements

1. Over the past three months, how have nonprice terms incorporated in new or renegotiated OTC derivatives master agreements put in place with your institution’s client changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat,  
   3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, or n/a = not applicable.)
   1. Requirements, timelines, and thresholds for posting additional margin
   2. Acceptable collateral
   3. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate agreements are in place)
   4. Triggers and covenants
   5. Other documentation features (including cure periods and cross-default provisions)
   6. Other (please specify)

Initial Margin

1. Over the past three months, how have initial margin requirements set by your institution with respect to OTC FX derivatives changed?
2. Initial margin requirements for average clients
3. Increased considerably
4. Increased somewhat
5. Remained basically unchanged
6. Decreased somewhat
7. Decreased considerably
8. Not applicable
9. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
10. Increased considerably
11. Increased somewhat
12. Remained basically unchanged
13. Decreased somewhat
14. Decreased considerably
15. Not applicable
16. Over the past three months, how have initial margin requirements set by your institution with respect to OTC interest rate derivatives changed?
17. Initial margin requirements for average clients
18. Increased considerably
19. Increased somewhat
20. Remained basically unchanged
21. Decreased somewhat
22. Decreased considerably
23. Not applicable
24. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
25. Increased considerably
26. Increased somewhat
27. Remained basically unchanged
28. Decreased somewhat
29. Decreased considerably
30. Not applicable
31. Over the past three months, how have initial margin requirements set by your institution with respect to OTC equity derivatives changed?
32. Initial margin requirements for average clients
33. Increased considerably
34. Increased somewhat
35. Remained basically unchanged
36. Decreased somewhat
37. Decreased considerably
38. Not applicable
39. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
40. Increased considerably
41. Increased somewhat
42. Remained basically unchanged
43. Decreased somewhat
44. Decreased considerably
45. Not applicable
46. Over the past three months, how have initial margin requirements set by your institution with respect to OTC credit derivatives referencing corporates (single-name corporates or corporate indexes) changed?
47. Initial margin requirements for average clients
48. Increased considerably
49. Increased somewhat
50. Remained basically unchanged
51. Decreased somewhat
52. Decreased considerably
53. Not applicable
54. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
55. Increased considerably
56. Increased somewhat
57. Remained basically unchanged
58. Decreased somewhat
59. Decreased considerably
60. Not applicable
61. Over the past three months, how have initial margin requirements set by your institution with respect to OTC credit derivatives referencing securitized products (such as specific ABS or MBS tranches and associated indexes) changed?
62. Initial margin requirements for average clients
63. Increased considerably
64. Increased somewhat
65. Remained basically unchanged
66. Decreased somewhat
67. Decreased considerably
68. Not applicable
69. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
70. Increased considerably
71. Increased somewhat
72. Remained basically unchanged
73. Decreased somewhat
74. Decreased considerably
75. Not applicable
76. Over the past three months, how have initial margin requirements set by your institution with respect to OTC commodity derivatives changed?
77. Initial margin requirements for average clients
78. Increased considerably
79. Increased somewhat
80. Remained basically unchanged
81. Decreased somewhat
82. Decreased considerably
83. Not applicable
84. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
85. Increased considerably
86. Increased somewhat
87. Remained basically unchanged
88. Decreased somewhat
89. Decreased considerably
90. Not applicable
91. Over the past three months, how have initial margin requirements set by your institution with respect to TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans) changed?
92. Initial margin requirements for average clients
93. Increased considerably
94. Increased somewhat
95. Remained basically unchanged
96. Decreased somewhat
97. Decreased considerably
98. Not applicable
99. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship
100. Increased considerably
101. Increased somewhat
102. Remained basically unchanged
103. Decreased somewhat
104. Decreased considerably
105. Not applicable

Nonstandard Collateral

1. Over the past three months, how has the posting of nonstandard collateral (that is, other than cash and U.S. Treasury securities) as permitted under relevant agreements changed?
2. Increased considerably
3. Increased somewhat
4. Remained basically unchanged
5. Decreased somewhat
6. Decreased considerably

Mark and Collateral Disputes

1. Over the past three months, how has the volume of mark and collateral disputes relating to contracts of each of the following types changed? (Please respond using the following scale: 1 = increased considerably, 2 = increased somewhat,  
   3 = remained basically unchanged, 4 = decreased somewhat, 5 = decreased considerably, or n/a = not applicable.)
2. FX
3. Interest rate
4. Equity
5. Credit referencing corporates
6. Credit referencing securitized products including MBS and ABS
7. Commodity
8. TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans)
9. Over the past three months, how has the duration and persistence of mark and collateral disputes relating to contracts of each of the following types changed? (Please respond using the following scale: 1 = increased considerably,  
   2 = increased somewhat, 3 = remained basically unchanged, 4 = decreased somewhat, 5 = decreased considerably, or n/a = not applicable.)
10. FX
11. Interest rate
12. Equity
13. Credit referencing corporates
14. Credit referencing securitized products including MBS and ABS
15. Commodity
16. TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans)

**Securities Financing**

Questions 52 through 79 ask about securities funding at your institution—that is, lending to clients collateralized by securities. Such activities may be conducted on a “repo” desk, on a trading desk engaged in facilitation for institutional clients and/or proprietary transactions, on a funding desk, or on a prime brokerage platform. Questions 52 through 55 focus on lending against high-grade corporate bonds; questions 56 through 59 on lending against high-yield corporate bonds; questions 60 and 61 on lending against equities (including through stock loan); questions 62 through 65 on lending against agency residential mortgage-backed securities (agency RMBS); questions 66 through 69 on lending against non-agency residential mortgage-backed securities (non-agency RMBS); questions 70 through 73 on lending against commercial mortgage-backed securities (CMBS); and questions 74 through 77 on consumer ABS (for example, backed by credit card receivables or auto loans). Questions 78 and 79 ask about mark and collateral disputes for lending backed by each of the aforementioned contract types.

If your institution’s terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space.

High-Grade Corporate Bonds

1. Over the past three months, how have the terms under which high-grade corporate bonds are funded changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat,  
   3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, or n/a = not applicable. Please indicate tightening if terms have become more stringent—for example, if haircuts have risen or collateral spreads have widened.)
2. Terms for average clients
3. Maximum amount of funding
4. Maximum maturity
5. Haircuts
6. Collateral spreads over relevant benchmark (effective financing rates)
7. Other (please specify)
8. Terms for most-favored clients, as a consequence of breadth, duration and/or extent of relationship
9. Maximum amount of funding
10. Maximum maturity
11. Haircuts
12. Collateral spreads over relevant benchmark (effective financing rates)
13. Other (please specify)
14. Over the past three months, how has demand for funding of high-grade corporate bonds by your institution’s clients changed?
15. Increased considerably
16. Increased somewhat
17. Remained basically unchanged
18. Decreased somewhat
19. Decreased considerably
20. Not applicable
21. Over the past three months, how has demand for term funding with a maturity greater than 30 days of high-grade corporate bonds by your institution’s clients changed?
22. Increased considerably
23. Increased somewhat
24. Remained basically unchanged
25. Decreased somewhat
26. Decreased considerably
27. Not applicable
28. Over the past three months, how have liquidity and functioning in the high-grade corporate bond market changed?[[2]](#footnote-2)
    1. Improved considerably
    2. Improved somewhat
    3. Remained basically unchanged
    4. Deteriorated somewhat
    5. Deteriorated considerably
    6. Not applicable

High-Yield Corporate Bonds

1. Over the past three months, how have the terms under which high-yield corporate bonds are funded changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat,  
   3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, or n/a = not applicable. Please indicate tightening if terms have become more stringent—for example, if haircuts have risen or collateral spreads have widened.)
2. Terms for average clients
3. Maximum amount of funding
4. Maximum maturity
5. Haircuts
6. Collateral spreads over relevant benchmark (effective financing rates)
7. Other (please specify)
8. Terms for most-favored clients, as a consequence of breadth, duration and/or extent of relationship
9. Maximum amount of funding
10. Maximum maturity
11. Haircuts
12. Collateral spreads over relevant benchmark (effective financing rates)
13. Other (please specify)
14. Over the past three months, how has demand for funding of high-yield corporate bonds by your institution’s clients changed?
15. Increased considerably
16. Increased somewhat
17. Remained basically unchanged
18. Decreased somewhat
19. Decreased considerably
20. Not applicable
21. Over the past three months, how has demand for term funding with a maturity greater than 30 days of high-yield corporate bonds by your institution’s clients changed?
22. Increased considerably
23. Increased somewhat
24. Remained basically unchanged
25. Decreased somewhat
26. Decreased considerably
27. Not applicable
28. Over the past three months, how have liquidity and functioning in the high-yield corporate bond market changed?[[3]](#footnote-3)
29. Improved considerably
30. Improved somewhat
31. Remained basically unchanged
32. Deteriorated somewhat
33. Deteriorated considerably
34. Not applicable

Equities (Including through Stock Loan)

1. Over the past three months, how have the terms under which equities are funded (including through stock loan) changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably,  
   2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, or n/a = not applicable. Please indicate tightening if terms have become more stringent—for example, if haircuts have risen or collateral spreads have widened.)
2. Terms for average clients
3. Maximum amount of funding
4. Maximum maturity
5. Haircuts
6. Collateral spreads over relevant benchmark (effective financing rates)
7. Other (please specify)
8. Terms for most-favored clients, as a consequence of breadth, duration and/or extent of relationship
9. Maximum amount of funding
10. Maximum maturity
11. Haircuts
12. Collateral spreads over relevant benchmark (effective financing rates)
13. Other (please specify)
14. Over the past three months, how has demand for funding of equities (including through stock loan) by your institution’s clients changed?
15. Increased considerably
16. Increased somewhat
17. Remained basically unchanged
18. Decreased somewhat
19. Decreased considerably
20. Not applicable

Agency Residential Mortgage-Backed Securities

1. Over the past three months, how have the terms under which agency RMBS are funded changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat,  
   3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, or n/a = not applicable. Please indicate tightening if terms have become more stringent—for example, if haircuts have risen or collateral spreads have widened.)
2. Terms for average clients
3. Maximum amount of funding
4. Maximum maturity
5. Haircuts
6. Collateral spreads over relevant benchmark (effective financing rates)
7. Other (please specify)
8. Terms for most-favored clients, as a consequence of breadth, duration and/or extent of relationship
9. Maximum amount of funding
10. Maximum maturity
11. Haircuts
12. Collateral spreads over relevant benchmark (effective financing rates)
13. Other (please specify)
14. Over the past three months, how has demand for funding of agency RMBS by your institution’s clients changed?
15. Increased considerably
16. Increased somewhat
17. Remained basically unchanged
18. Decreased somewhat
19. Decreased considerably
20. Not applicable
21. Over the past three months, how has demand for term funding with a maturity greater than 30 days of agency RMBS by your institution’s clients changed?
22. Increased considerably
23. Increased somewhat
24. Remained basically unchanged
25. Decreased somewhat
26. Decreased considerably
27. Not applicable
28. Over the past three months, how have liquidity and functioning in the agency RMBS market changed?[[4]](#footnote-4)
    1. Improved considerably
    2. Improved somewhat
    3. Remained basically unchanged
    4. Deteriorated somewhat
    5. Deteriorated considerably
    6. Not applicable

Non-agency Residential Mortgage-Backed Securities

1. Over the past three months, how have the terms under which non-agency RMBS are funded changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat,  
   3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, or n/a = not applicable. Please indicate tightening if terms have become more stringent—for example, if haircuts have risen or collateral spreads have widened.)
2. Terms for average clients
3. Maximum amount of funding
4. Maximum maturity
5. Haircuts
6. Collateral spreads over relevant benchmark (effective financing rates)
7. Other (please specify)
8. Terms for most-favored clients, as a consequence of breadth, duration and/or extent of relationship
9. Maximum amount of funding
10. Maximum maturity
11. Haircuts
12. Collateral spreads over relevant benchmark (effective financing rates)
13. Other (please specify)
14. Over the past three months, how has demand for funding of non-agency RMBS by your institution’s clients changed?
15. Increased considerably
16. Increased somewhat
17. Remained basically unchanged
18. Decreased somewhat
19. Decreased considerably
20. Not applicable
21. Over the past three months, how has demand for term funding with a maturity greater than 30 days of non-agency RMBS by your institution’s clients changed?
22. Increased considerably
23. Increased somewhat
24. Remained basically unchanged
25. Decreased somewhat
26. Decreased considerably
27. Not applicable
28. Over the past three months, how have liquidity and functioning in the non-agency RMBS market changed?[[5]](#footnote-5)
29. Improved considerably
30. Improved somewhat
31. Remained basically unchanged
32. Deteriorated somewhat
33. Deteriorated considerably
34. Not applicable

Commercial Mortgage-Backed Securities

1. Over the past three months, how have the terms under which CMBS are funded changed? (Please assign each term a number between 1 and 5 using the following scale: 1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, or n/a = not applicable. Please indicate tightening if terms have become more stringent—for example, if haircuts have risen or collateral spreads have widened.)
2. Terms for average clients
3. Maximum amount of funding
4. Maximum maturity
5. Haircuts
6. Collateral spreads over relevant benchmark (effective financing rates)
7. Other (please specify)
8. Terms for most-favored clients, as a consequence of breadth, duration and/or extent of relationship
9. Maximum amount of funding
10. Maximum maturity
11. Haircuts
12. Collateral spreads over relevant benchmark (effective financing rates)
13. Other (please specify)
14. Over the past three months, how has demand for funding of CMBS by your institution’s clients changed?
15. Increased considerably
16. Increased somewhat
17. Remained basically unchanged
18. Decreased somewhat
19. Decreased considerably
20. Not applicable
21. Over the past three months, how has demand for term funding with a maturity greater than 30 days of CMBS by your institution’s clients changed?
22. Increased considerably
23. Increased somewhat
24. Remained basically unchanged
25. Decreased somewhat
26. Decreased considerably
27. Not applicable
28. Over the past three months, how have liquidity and functioning in the CMBS market changed?[[6]](#footnote-6)
29. Improved considerably
30. Improved somewhat
31. Remained basically unchanged
32. Deteriorated somewhat
33. Deteriorated considerably
34. Not applicable

Consumer Asset-Backed Securities

1. Over the past three months, how have the terms under which consumer ABS (for example, backed by credit card receivables or auto loans) are funded changed? (Please assign each term a number between 1 and 5 using the following scale:   
   1 = tightened considerably, 2 = tightened somewhat, 3 = remained basically unchanged, 4 = eased somewhat, 5 = eased considerably, or n/a = not applicable. Please indicate tightening if terms have become more stringent—for example, if haircuts have risen or collateral spreads have widened.)
2. Terms for average clients
3. Maximum amount of funding
4. Maximum maturity
5. Haircuts
6. Collateral spreads over relevant benchmark (effective financing rates)
7. Other (please specify)
8. Terms for most-favored clients, as a consequence of breadth, duration and/or extent of relationship
9. Maximum amount of funding
10. Maximum maturity
11. Haircuts
12. Collateral spreads over relevant benchmark (effective financing rates)
13. Other (please specify)
14. Over the past three months, how has demand for funding of consumer ABS by your institution’s clients changed?
15. Increased considerably
16. Increased somewhat
17. Remained basically unchanged
18. Decreased somewhat
19. Decreased considerably
20. Not applicable
21. Over the past three months, how has demand for term funding with a maturity greater than 30 days of consumer ABS by your institution’s clients changed?
22. Increased considerably
23. Increased somewhat
24. Remained basically unchanged
25. Decreased somewhat
26. Decreased considerably
27. Not applicable
28. Over the past three months, how have liquidity and functioning in the consumer ABS market changed?[[7]](#footnote-7)
29. Improved considerably
30. Improved somewhat
31. Remained basically unchanged
32. Deteriorated somewhat
33. Deteriorated considerably
34. Not applicable

Mark and Collateral Disputes

1. Over the past three months, how has the volume of mark and collateral disputes relating to lending against each of the following collateral types changed? (Please respond using the following scale: 1 = increased considerably, 2 = increased somewhat, 3 = remained basically unchanged, 4 = decreased somewhat,  
   5 = decreased considerably, or n/a = not applicable.)
2. High-grade corporate bonds
3. High-yield corporate bonds
4. Equities
5. Agency RMBS
6. Non-agency RMBS
7. CMBS
8. Consumer ABS
9. Over the past three months, how has the duration and persistence of mark and collateral disputes relating to lending against each of the following collateral types changed? (Please respond using the following scale: 1 = increased considerably, 2 = increased somewhat, 3 = remained basically unchanged,  
   4 = decreased somewhat, 5 = decreased considerably, or n/a = not applicable.)
10. High-grade corporate bonds
11. High-yield corporate bonds
12. Equities
13. Agency RMBS
14. Non-agency RMBS
15. CMBS
16. Consumer ABS

**Optional Question**

Question 80 requests feedback on any other issues you judge to be important relating to credit terms applicable to securities financing transactions and OTC derivatives contracts.

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

1. Trading REITs invest in assets backed by real estate, rather than directly in real estate. [↑](#footnote-ref-1)
2. This question is intended to elicit an assessment of overall conditions in the high-grade corporate bond market, and not just the ease with which positions may be financed. While your views may be informed in part by what you observe in the funding market, please respond with regard to the broader liquidity and functioning of the market for these securities. [↑](#footnote-ref-2)
3. This question is intended to elicit an assessment of overall conditions in the high-yield corporate bond market, and not just the ease with which positions may be financed. While your views may be informed in part by what you observe in the funding market, please respond with regard to the broader liquidity and functioning of the market for these securities. [↑](#footnote-ref-3)
4. This question is intended to elicit an assessment of overall conditions in the agency RMBS market, and not just the ease with which positions may be financed. While your views may be informed in part by what you observe in the funding market, please respond with regard to the broader liquidity and functioning of the market for these securities. [↑](#footnote-ref-4)
5. This question is intended to elicit an assessment of overall conditions in the non-agency RMBS market, and not just the ease with which positions may be financed. While your views may be informed in part by what you observe in the funding market, please respond with regard to the broader liquidity and functioning of the market for these securities. [↑](#footnote-ref-5)
6. This question is intended to elicit an assessment of overall conditions in the CMBS market, and not just the ease with which positions may be financed. While your views may be informed in part by what you observe in the funding market, please respond with regard to the broader liquidity and functioning of the market for these securities. [↑](#footnote-ref-6)
7. This question is intended to elicit an assessment of overall conditions in the consumer ABS market, and not just the ease with which positions may be financed. While your views may be informed in part by what you observe in the funding market, please respond with regard to the broader liquidity and functioning of the market for these securities. [↑](#footnote-ref-7)