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Senior Loan Officer Opinion Survey on Bank Lending Practices April 2025

Questionnaire for U.S. Branches and Agencies of Foreign Banks

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Commercial and Industrial (C&I) Lending

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?

   1. Tightened considerably
   2. Tightened somewhat
   3. Remained basically unchanged
   4. Eased somewhat
   5. Eased considerably
   6. My bank does not originate C&I loans or credit lines

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? (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.)

   __ a. Maximum size of credit lines

   __ b. Maximum maturity of loans or credit lines

   __ c. Costs of credit lines

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

   __ e. Premiums charged on riskier loans

   __ f. Loan covenants

   __ g. Collateralization requirements

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

   __ i. Other (please specify)

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 the following possible reasons been for the change? (Please respond to either A, B, or both as appropriate and rate *each* possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important.)

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

   __ a. Deterioration in your bank's current or expected capital position
   __ b. Less favorable or more uncertain economic outlook
   __ c. Worsening of industry-specific problems (please specify industries)
   __ d. Less aggressive competition from other banks or nonbank lenders (other financial intermediaries or the capital markets)
   __ e. Reduced tolerance for risk
   __ f. Decreased liquidity in the secondary market for these loans
   __ g. Deterioration in your bank's current or expected liquidity position
   __ h. Increased concerns about the effects of legislative changes, supervisory actions, or accounting standards
   __ i. Other (please specify)

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

   __ a. Improvement in your bank's current or expected capital position
   __ b. More favorable or less uncertain economic outlook
   __ c. Improvement in industry-specific problems (please specify industries)
   __ d. More aggressive competition from other banks or nonbank lenders (other financial intermediaries or the capital markets)
   __ e. Increased tolerance for risk
   __ f. Increased liquidity in the secondary market for these loans
   __ g. Improvement in your bank's current or expected liquidity position
   __ h. Reduced concerns about the effects of legislative changes, supervisory actions, or accounting standards
   __ i. Other (please specify)

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.)

    1. Substantially stronger
    2. Moderately stronger
    3. About the same
    4. Moderately weaker
    5. Substantially weaker
    6. My bank does not originate C&I loans or credit lines

5. If demand for C&I loans has strengthened or weakened over the past three months (as described in question 4), how important have the following possible reasons been for the change? (Please respond to either A, B, or both as appropriate and rate *each* possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important.)

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

   __ 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
   __ g. Customer precautionary demand for cash and liquidity increased
   __ h. Other (please specify)

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

   __ 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 sources because these other sources became more attractive
   __ g. Customer precautionary demand for cash and liquidity decreased
   __ h. Other (please specify)

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.)

    1. The number of inquiries has increased substantially
    2. The number of inquiries has increased moderately
    3. The number of inquiries has stayed about the same
    4. The number of inquiries has decreased moderately
    5. The number of inquiries has decreased substantially
    6. My bank does not originate C&I lines of credit

Commercial Real Estate (CRE) Lending

Questions 7-8 *ask about commercial real estate (CRE) loans at your bank, including construction and land development loans and loans secured by nonfarm nonresidential properties. Question 7 deals with changes in your bank's standards over the past three months. Question 8 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.*

7. Over the past three months, how have your bank's credit standards for approving applications for CRE loans or credit lines changed?
    1. Tightened considerably
    2. Tightened somewhat
    3. Remained basically unchanged
    4. Eased somewhat
    5. Eased considerably
    6. My bank does not originate CRE loans

8. Apart from normal seasonal variation, how has demand for CRE loans or credit lines changed over the past three months? (Please consider the number of requests for new spot loans, for disbursement of funds under existing loan commitments, and for new or increased credit lines.)
    1. Substantially stronger
    2. Moderately stronger
    3. About the same
    4. Moderately weaker
    5. Substantially weaker
    6. My bank does not originate CRE Loans

Special Questions: Commercial Real Estate Lending

Questions 9-12 *ask how your bank has changed its lending policies over the past year for three different types of* ***commercial real estate (CRE) loans:*** *construction and land development loans, loans secured by nonfarm nonresidential properties, and loans secured by multifamily residential properties.* ***Question 13*** *asks about changes in demand for CRE loans over the past year.*

9. Over the past year, how has your bank changed the following policies on **construction and land development** loans? (Please assign each policy 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.)

    __ My bank does not originate construction and land development loans (Skip to the next question)

    __ a. Maximum loan size
    __ b. Maximum loan maturity
    __ c. Spread of loan rates over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased)
    __ d. Loan-to-value ratios (lower ratios=tightened, higher ratios=eased)
    __ e. Debt service coverage ratios (higher ratios=tightened, lower ratios=eased)
    __ f. Market areas served (reduced market areas=tightened, expanded market areas=eased)
    __ g. Length of interest-only payment period (shorter interest-only periods=tightened, longer interest-only periods=eased)
    __ h. Other (please specify)

10. Over the past year, how has your bank changed the following policies on loans secured by **nonfarm nonresidential** properties? (Please assign each policy 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.)

    __ My bank does not originate nonfarm nonresidential loans (Skip to the next question)

    __ a. Maximum loan size
    __ b. Maximum loan maturity
    __ c. Spread of loan rates over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased)

__ d. Loan-to-value ratios (lower ratios=tightened, higher ratios=eased)

__ e. Debt service coverage ratios (higher ratios=tightened, lower ratios=eased)

__ f. Market areas served (reduced market areas=tightened, expanded market areas=eased)

__ g. Length of interest-only payment period (shorter interest-only periods=tightened, longer interest-only periods=eased)

__ h. Other (please specify)

11. Over the past year, how has your bank changed the following policies on loans secured by **multifamily** residential properties? (Please assign each policy 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.)

    __ My bank does not originate multifamily loans (Skip to the next question)

    __ a. Maximum loan size

    __ b. Maximum loan maturity

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

    __ d. Loan-to-value ratios (lower ratios=tightened, higher ratios=eased)

    __ e. Debt service coverage ratios (higher ratios=tightened, lower ratios=eased)

    __ f. Market areas served (reduced market areas=tightened, expanded market areas=eased)

    __ g. Length of interest-only payment period (shorter interest-only periods=tightened, longer interest-only periods=eased)

    __ h. Other (please specify)

12. If your bank has tightened or eased its credit policies for CRE loans over the past year (as described in questions 9-11 above), how important have the following possible reasons been for the change? (Please respond to either A, B, or both as appropriate and rate each possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important.)

    A. Possible reasons for tightening credit policies on CRE loans over the past year (where tightening corresponds to answers 1 or 2 in questions 9-11 above):

    __ a. Less favorable or more uncertain outlook for CRE property prices

    __ b. Less favorable or more uncertain outlook for market rents on CRE properties

    __ c. Less favorable or more uncertain outlook for vacancy rates on CRE properties

    __ d. Less favorable or more uncertain outlook for delinquency rates on mortgages backed by CRE properties

__ e. Less aggressive competition from other banks or nonbank financial institutions (other financial intermediaries or the capital markets)
__ f. Reduced tolerance for risk
__ g. Decreased ability to securitize CRE loans
__ h. Increased concerns about my bank's capital adequacy or liquidity position
__ i. Increased concerns about the effects of regulatory changes or supervisory actions
__ j. Other (please specify)

B. Possible reasons for easing credit policies on CRE loans over the past year (where easing corresponds to answers 4 or 5 in questions 9-11 above):

__ a. More favorable or less uncertain outlook for CRE property prices
__ b. More favorable or less uncertain outlook for market rents on CRE properties
__ c. More favorable or less uncertain outlook for vacancy rates on CRE properties
__ d. More favorable or less uncertain outlook for delinquency rates on mortgages backed by CRE properties
__ e. More aggressive competition from other banks or nonbank financial institutions (other financial intermediaries or the capital markets)
__ f. Increased tolerance for risk
__ g. Increased ability to securitize CRE loans
__ h. Reduced concerns about my bank's capital adequacy or liquidity position
__ i. Reduced concerns about the effects of regulatory changes or supervisory actions
__ j. Other (please specify)

13. If demand for CRE loans from your bank has strengthened or weakened over the past year, how important have the following possible reasons been for the change? (Please respond to either A, B, or both as appropriate and rate each possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important.)

A. Possible reasons for stronger CRE loan demand over the past year:

__ a. Customer acquisition or development of properties increased
__ b. Customer refinancing of maturing loans increased
__ c. Customer outlook for rental demand became more favorable or less uncertain
__ d. General level of interest rates decreased
__ e. Customer internally generated funds decreased
__ f. Customer borrowing shifted to your bank from other banks
__ g. Customer borrowing shifted to your bank from nonbank sources (e.g., CMBS, insurers, or debt funds)
__ h. Customer borrowing shifted to your bank from alternatives to CRE-backed funding (e.g., unsecured debt or internal funding)

__ i. Customer precautionary demand for cash and liquidity increased
__ j. Other (please specify)

B. Possible reasons for weaker CRE loan demand over the past year:

__ a. Customer acquisition or development of properties decreased
__ b. Customer refinancing of maturing loans decreased
__ c. Customer outlook for rental demand became less favorable or more uncertain
__ d. General level of interest rates increased
__ e. Customer internally generated funds increased
__ f. Customer borrowing shifted from your bank to other banks
__ g. Customer borrowing shifted from your bank to nonbank sources (e.g., CMBS, insurers, or debt funds)
__ h. Customer borrowing shifted from your bank to alternatives to CRE-backed funding (e.g., unsecured debt or internal funding)
__ i. Customer precautionary demand for cash and liquidity decreased
__ j. Other (please specify)

Special Questions: Commercial Real Estate Lending Secured by Office Properties

Questions 14-15 *ask how your bank has changed its lending policies over the past year specifically for the type of CRE loans secured by nonfarm nonresidential* ***office properties****.*

14. Over the past year, how has your bank changed the following policies on CRE loans secured by nonfarm nonresidential **office properties**? (Please assign each policy 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.)

    __ My bank does not originate office loans (Skip to the next section)

    __ a. Maximum loan size

    __ b. Maximum loan maturity

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

    __ d. Loan-to-value ratios (lower ratios=tightened, higher ratios=eased)

    __ e. Debt service coverage ratios (higher ratios=tightened, lower ratios=eased)

    __ f. Market areas served (reduced market areas=tightened, expanded market areas=eased)

    __ g. Length of interest-only payment period (shorter interest-only periods=tightened, longer interest-only periods=eased)

    __ h. Other (please specify)

15. If your bank has tightened or eased its credit policies for CRE loans secured by nonfarm nonresidential **office properties** over the past year (as described in question 14 above), how important have the following possible reasons been for the change? (Please respond to either A, B, or both as appropriate and rate each possible reason using the following scale: 1=not important, 2=somewhat important, 3=very important.)

   A. Possible reasons for tightening credit policies on office loans over the past year (where tightening corresponds to answers 1 or 2 in question 14 above):

   __ a. Less favorable or more uncertain outlook for office property prices
   __ b. Less favorable or more uncertain outlook for market rents on office properties
   __ c. Less favorable or more uncertain outlook for vacancy rates on office properties
   __ d. Less favorable or more uncertain outlook for delinquency rates on mortgages backed by office properties
   __ e. Less aggressive competition from other banks or nonbank financial institutions for loans secured by office properties (other financial intermediaries or the capital markets)
   __ f. Reduced tolerance for risk for loans secured by office properties
   __ g. Decreased ability to securitize loans secured by office properties
   __ h. Other (please specify)

   B. Possible reasons for easing credit policies on office loans over the past year (where easing corresponds to answers 4 or 5 in question 14 above):

   __ a. More favorable or less uncertain outlook for office property prices
   __ b. More favorable or less uncertain outlook for market rents on office properties
   __ c. More favorable or less uncertain outlook for vacancy rates on office properties
   __ d. More favorable or less uncertain outlook for delinquency rates on mortgages backed by office properties
   __ e. More aggressive competition from other banks or nonbank financial institutions for loans secured by office properties (other financial intermediaries or the capital markets)
   __ f. Increased tolerance for risk for loans secured by office properties
   __ g. Increased ability to securitize loans secured by office properties
   __ h. Other (please specify)

Optional Question

Question 16 *requests feedback on any other issues you judge to be important but are not addressed in this survey.*

16. Are there any other recent developments in lending practices not addressed in this survey that you find particularly significant? Your response will help us stay abreast of breaking issues and in choosing questions for future surveys. There is no need to reply if you have nothing you would like to add.