

Senior Loan Officer Opinion Survey on Bank Lending Practices July 2025

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

Table of Contents	Page
Commercial and Industrial (C&I) Lending	1
Commercial Real Estate (CRE) Lending	7
Special Questions: Level of Standards	8
Optional Question	10

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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 Question: Level of Standards

***Question 9** asks you to describe the current level of lending standards at your bank relative to the range of standards that has prevailed between 2005 and the present, a period which likely encompasses a wide range of standards as seen over a credit cycle. For each of the loan categories listed below, please use as reference points the points at which standards at your bank were tightest (most restrictive or least accommodative) and easiest (most accommodative or least restrictive) during this period.*

9. Using the range between the tightest and the easiest that lending standards at your bank have been between 2005 and the present, for each of the loan categories listed below, how would you describe your bank's current level of standards relative to that range? (Please respond using the following scale: **1 = near the easiest level that standards have been during this period, 2 = significantly easier than the midpoint of the range that standards have been during this period, 3 = somewhat easier than the midpoint of the range that standards have been during this period, 4 = near the midpoint of the range that standards have been during this period, 5 = somewhat tighter than the midpoint of the range that standards have been during this period, 6 = significantly tighter than the midpoint of the range that standards have been during this period, 7 = near the tightest level that standards have been during this period.**) If a different time frame (other than between 2005 and the present) would better encompass the most recent period over which your bank's standards have spanned the range of easiest to tightest, please indicate that reference range in the comment box below.

A. C&I loans or credit lines:

- ☐ a. Syndicated or club loans (large loans originated by a group of relationship lenders) to investment-grade firms (or unrated firms of similar creditworthiness)
- ☐ b. Syndicated or club loans to below-investment-grade firms (or unrated firms of similar creditworthiness)
- ☐ c. Non-syndicated loans to large and middle-market firms (annual sales of \$50 million or more)
- ☐ d. Non-syndicated loans to small firms (annual sales of less than \$50 million)

B. Loans or credit lines secured by commercial real estate:

- ☐ a. For construction and land development purposes
- ☐ b. Secured by nonfarm nonresidential properties
- ☐ c. Secured by multifamily residential properties

Optional Question

***Question 10** requests feedback on any other issues you judge to be important but are not addressed in this survey.*

10. 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.