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TO: HEADS OF RESEARCH AT ALL FEDERAL RESERVE BANKS

Enclosed for distribution to respondents is a national summary of the January 2023 Senior Loan Officer Opinion Survey on Bank Lending Practices.

Enclosures:

January 2023 Senior Loan Officer Opinion Survey on Bank Lending Practices

This document is available on the Federal Reserve Board's web site
(http://www.federalreserve.gov/econresdata/statisticsdata.htm)

The January 2023 Senior Loan Officer Opinion Survey on Bank Lending Practices

The January 2023 Senior Loan Officer Opinion Survey (SLOOS) on Bank Lending Practices addressed changes in the standards and terms on, and demand for, bank loans to businesses and households over the past three months, which generally correspond to the fourth quarter of 2022.[1]

Regarding loans to businesses, survey respondents on balance reported tighter standards and weaker demand for commercial and industrial (C&I) loans to large, middle-market, and small firms over the fourth quarter.[2] Meanwhile, banks reported tighter standards and weaker demand for all commercial real estate (CRE) loan categories.

For loans to households, banks reported that lending standards tightened or remained basically unchanged across all categories of residential real estate (RRE) loans and demand for these loans weakened. In addition, banks reported tighter standards and weaker demand for home equity lines of credit (HELOCs). Standards tightened and demand weakened, on balance, for credit card, auto, and other consumer loans.

The January SLOOS survey also included a set of special questions inquiring about banks' expectations for changes in lending standards, borrower demand, and loan performance over 2023. Banks, on balance, reported expecting lending standards to tighten, demand to weaken, and loan quality to deteriorate across all loan types.

Lending to Businesses

(Table 1, questions 1–12; table 2, questions 1–8)

Questions on commercial and industrial lending. Over the fourth quarter, significant net shares of banks reported having tightened standards on C&I loans to firms of all sizes.[3] Banks also reported having tightened all queried terms on C&I loans to firms of all sizes over the fourth

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[1] Responses were received from 69 domestic banks and 18 U.S. branches and agencies of foreign banks. Respondent banks received the survey on December 19, 2022, and responses were due by January 6, 2023. Unless otherwise indicated, this summary refers to the responses of domestic banks.

[2] Large and middle-market firms are defined as firms with annuals sales of $50 million or more, and small firms are those with annual sales of less than $50 million. Large banks are defined as those with total domestic assets of $50 billion or more as of September 30, 2022.

[3] For questions that ask about lending standards or terms, "net fraction" (or "net percentage") refers to the fraction of banks that reported having tightened ("tightened considerably" or "tightened somewhat") minus the fraction of banks that reported having eased ("eased considerably" or "eased somewhat"). For questions that ask about loan demand, this term refers to the fraction of banks that reported stronger demand ("substantially stronger" or "moderately stronger") minus the fraction of banks that reported weaker demand ("substantially weaker" or "moderately weaker"). For this summary, when standards, terms, or demand are said to have "remained basically unchanged," the net percentage of respondent banks that reported either tightening or easing of standards or terms, or stronger or weaker demand, is greater than or equal to 0 and less than or equal to 5 percent; "modest" refers to net percentages greater than 5 and less than or equal to 10 percent; "moderate" refers to net percentages greater than 10 and less than or equal to 20 percent; "significant" refers to net percentages greater than 20 and less than 50 percent; and "major" refers to net percentages greater than or equal to 50 percent.

quarter.[4] Tightening was most widely reported for premiums charged on riskier loans, spreads of loan rates over the cost of funds, and costs of credit lines. In addition, significant net shares of banks reported having tightened loan covenants and collateralization requirements to firms of all sizes. Moderate net shares of banks reported having tightened the maximum size of credit lines to firms of all sizes. Tightening of the maximum maturity of loans or credit lines was reported by a significant net share of banks for large and middle-market firms, while a moderate net share reported this term for small firms.[5] Similarly, a significant net share of foreign banks reported having tightened standards for C&I loans over the fourth quarter.

Major net shares of banks that reported having tightened standards or terms on C&I loans cited a less favorable or more uncertain economic outlook, a reduced tolerance for risk, and the worsening of industry-specific problems as important reasons for doing so. Significant net shares of banks also cited decreased liquidity in the secondary market for C&I loans, less aggressive competition from other banks or nonbank lenders, deterioration in their current or expected liquidity position, and increased concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards as important reasons for tightening lending standards and terms.

Regarding demand for C&I loans over the fourth quarter, significant net shares of banks reported weaker demand for loans from firms of all sizes. Further, a significant net share of banks reported a decrease in the number of inquiries from potential borrowers regarding the availability and terms of new credit lines or increases in existing lines. Similarly, a significant net share of foreign banks reported weaker demand for C&I loans over the fourth quarter.

Of the banks reporting weaker demand for C&I loans, major net shares cited decreased customer investment in plant or equipment, as well as decreased financing needs for mergers or acquisitions, inventories, and accounts receivable as important reasons for the weaker loan demand.[6]

Questions on commercial real estate lending. Over the fourth quarter, major net shares of banks reported tightening standards for all types of CRE loans. Meanwhile, major net shares of banks reported weaker demand for loans secured by nonfarm nonresidential properties and construction and land development loans, and a significant net share of banks reported weaker demand for loans secured by multifamily properties. A moderate net share of foreign banks

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[4] Lending standards characterize banks' policies for approving applications for a certain loan category. Conditional on approving loan applications, lending terms describe banks' conditions included in loan contracts, such as those listed for C&I loans under question 2 to both domestic and foreign banks and those listed for credit card, auto, and other consumer loans under questions 21–23 to domestic banks. Thus, standards reflect the extensive margin of lending, while terms reflect the intensive margin of lending. The eight lending terms that banks are asked to consider with respect to C&I loans are the maximum size of credit lines, maximum maturity of loans or credit lines, costs of credit lines, spreads of loan rates over the bank's cost of funds, premiums charged on riskier loans, loan covenants, collateralization requirements, and use of interest rate floors.

[5] Banks were asked about the costs, maximum size, and maximum maturity of credit lines, spreads of loan rates over the bank's cost of funds, premiums charged on riskier loans, terms on loan covenants, collateralization requirements, and the use of interest rate floors.

[6] Similarly, major net shares of foreign banks reporting weaker demand for C&I loans cited decreased customer investment in plant or equipment and decreased merger and acquisition financing needs as reasons for weaker loan demand.

reported tighter standards for CRE loans, while a modest net share of foreign banks reported weaker demand for such loans.

Lending to Households

(Table 1, questions 13–26)

Questions on residential real estate lending. Over the fourth quarter, lending standards tightened or remained basically unchanged across all RRE loan types and for HELOCs.[7] Moderate net shares of banks reported tightening standards for jumbo and subprime residential mortgages, while modest net shares reported tighter standards on HELOCs, qualified mortgage (QM) non-jumbo non-government-sponsored enterprise (GSE)-eligible mortgages, and non-QM non-jumbo mortgages. In contrast, standards remained basically unchanged for GSE-eligible and government residential mortgages.

Meanwhile, major net shares of banks reported weaker demand for all RRE loans over the fourth quarter, except for HELOCs, for which a significant net share of banks reported weaker demand.

Questions on consumer lending. Over the fourth quarter, a significant net share of banks reported tightening lending standards for credit card loans, while moderate net shares of banks reported tighter standards for auto and other consumer loans. Banks also reported tightening most queried terms on credit card loans. Specifically, moderate net shares of banks reported higher minimum credit score requirements as well as tightening both credit limits and the extent to which loans are granted to some customers that do not meet credit scoring thresholds. Similarly, banks reported tightening most queried terms on auto loans, on net. In particular, a moderate net share of banks reported wider interest rate spreads on such loans, while modest net shares reported higher minimum repayments and higher minimum credit score requirements. For other consumer loans, modest net shares of banks reported widening spreads over the cost of funds, increasing the minimum required credit score, and tightening the extent to which loans are

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[7] The seven categories of residential home-purchase loans that banks are asked to consider are GSE-eligible, government, QM non-jumbo non-GSE-eligible, QM jumbo, non-QM jumbo, non-QM non-jumbo, and subprime. See the survey results tables that follow this summary for a description of each of these loan categories. The definition of a QM was introduced in the 2013 Mortgage Rules under the Truth in Lending Act (12 C.F.R. pt. 1026.32, Regulation Z). The standard for a QM excludes mortgages with loan characteristics such as negative amortization, balloon and interest-only payment schedules, terms exceeding 30 years, alt-A or no documentation, and total points and fees that exceed 3 percent of the loan amount. In addition, a QM requires that the monthly debt-to-income ratio of borrowers not exceed 43 percent. For more on the ability to repay and QM standards under Regulation Z, see Consumer Financial Protection Bureau (2019), "Ability to Repay and Qualified Mortgage Standards Under the Truth in Lending Act (Regulation Z)," webpage, https://www.consumerfinance.gov/regulations/ability-to-repay-and-qualified-mortgage-standards-under-the-truth-in-lending-act-regulation-z.

granted to borrowers not meeting credit score criteria. The remaining terms and conditions for each type of consumer loan remained basically unchanged.[8]

Regarding demand for consumer loans, significant net shares of banks reported weaker demand for auto and other consumer loans, while a moderate net share of banks reported weaker demand for credit card loans.

Special Questions on Banks' Outlook for 2023

(Table 1, questions 27–40; table 2, questions 9–16)

The January SLOOS survey also included a set of special questions inquiring about banks' expectations for changes in lending standards, borrower demand, and asset quality over 2023, assuming that economic activity evolves in line with consensus forecasts[9]. On balance, banks reported expecting lending standards to tighten and loan demand to weaken. Meanwhile, banks reported expectations of a broad deterioration in loan quality during 2023.

Regarding lending standards, major net shares of banks expected to tighten standards for C&I loans to firms of all sizes and for all types of CRE loans over 2023. Meanwhile, significant net shares of banks also reported expecting to tighten standards for nonconforming jumbo mortgage loans, credit card loans, and auto loans.[10] A moderate net share of banks also reported expecting to tighten standards on GSE-eligible residential mortgage loans. The most frequently cited reasons for expecting to tighten standards over 2023, reported by major net shares of banks, included an expected deterioration in collateral values, a reduction in risk tolerance, and a deterioration in credit quality of the bank's loan portfolio.

Meanwhile, major net shares of banks reported expecting loan demand to weaken across CRE and RRE loan categories over 2023, while significant net shares of banks reported expecting loan demand to weaken for C&I loans to firms of all sizes and auto loans. A moderate net share of banks expected demand for credit cards to weaken. The most frequently cited reasons for weaker loan demand over 2023, reported by major net shares of banks, included an expected increase in interest rates, expected lower spending or investment needs, an expected deterioration in terms other than interest rates, an expected easing in supply chain disruptions, and an expected decrease in precautionary demand for cash and liquidity.

[8] Banks were asked about the minimum required credit score as well as changes in credit limits (credit card accounts and other consumer loans only), maximum maturity (auto loans only), loan rate spreads over costs of funds, the minimum percent of outstanding balances required to be repaid each month, and the extent to which loans are granted to borrowers not meeting credit score criteria.
[9] In banks' comments about their interpretation of consensus forecasts, the majority of respondents reported using both internal and external forecasts.
[10] Regarding the outlook for RRE loans, banks were asked about their expectations regarding lending standards, demand, and loan performance for GSE-eligible and nonconforming jumbo residential mortgage loans. For the outlook of consumer loans, banks were asked about their expectations regarding lending standards and demand for credit card loans and auto loans. Banks were also asked about their expectations regarding loan performance for consumer loans for prime and nonprime borrowers.

Regarding expectations for credit quality—as measured by delinquencies and charge-offs—major or significant net shares of banks reported expecting a deterioration in credit quality across all loan types over 2023. [11] Specifically, major net shares of banks reported expecting credit quality to deteriorate for C&I loans to small firms, syndicated leveraged and non-syndicated C&I loans to large and middle-market firms, nonfarm nonresidential and construction and land development CRE loans, consumer loans to nonprime borrowers, and RRE loans. Additionally, significant net shares of banks reported expecting loan quality to deteriorate for consumer loans to prime borrowers, syndicated nonleveraged C&I loans to large and middle-market firms, and CRE loans secured by multifamily properties.

Regarding foreign banks, significant net shares of such banks reported expecting tighter standards for all C&I and CRE loans over 2023. In addition, foreign banks also reported expecting weaker or basically unchanged demand and a broad deterioration in the quality of C&I and CRE loans during 2023.

This document was prepared by Luke Morgan, with the assistance of Ria Sonawane, Division of Monetary Affairs, Board of Governors of the Federal Reserve System.

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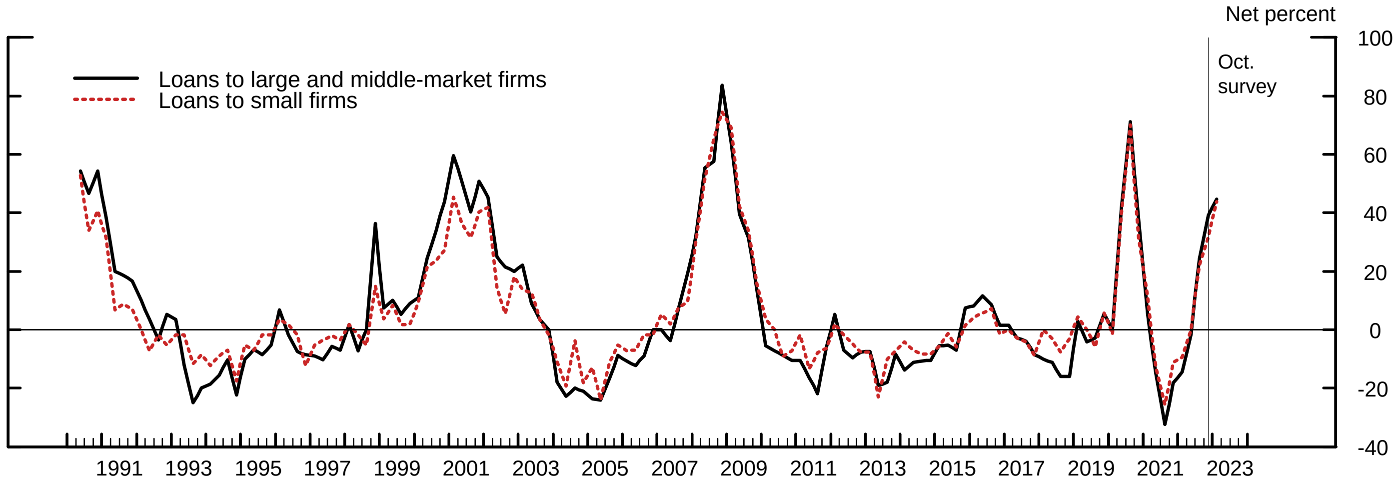
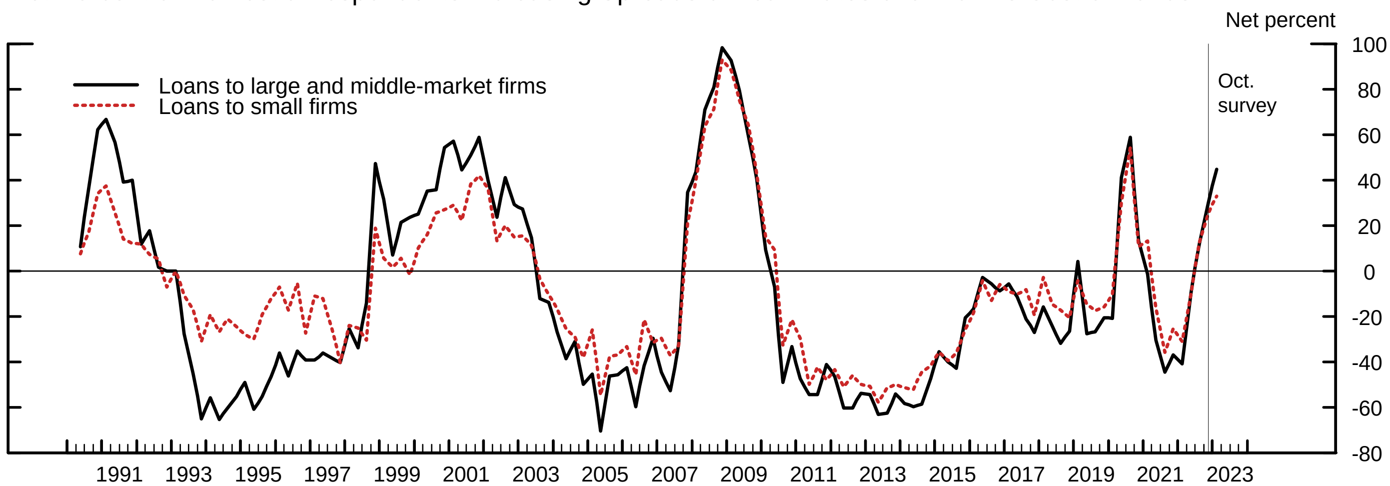
[11] Regarding the performance of business loans, banks were queried about expectations for the performance of four types of C&I loans (non-syndicated loans, syndicated non-leveraged loans, syndicated leveraged loans, and loans to small firms) and three types of CRE loans (multifamily loans, nonfarm nonresidential loans, and construction and land development loans).

Measures of Supply and Demand for Commercial and Industrial Loans, by Size of Firm Seeking Loan

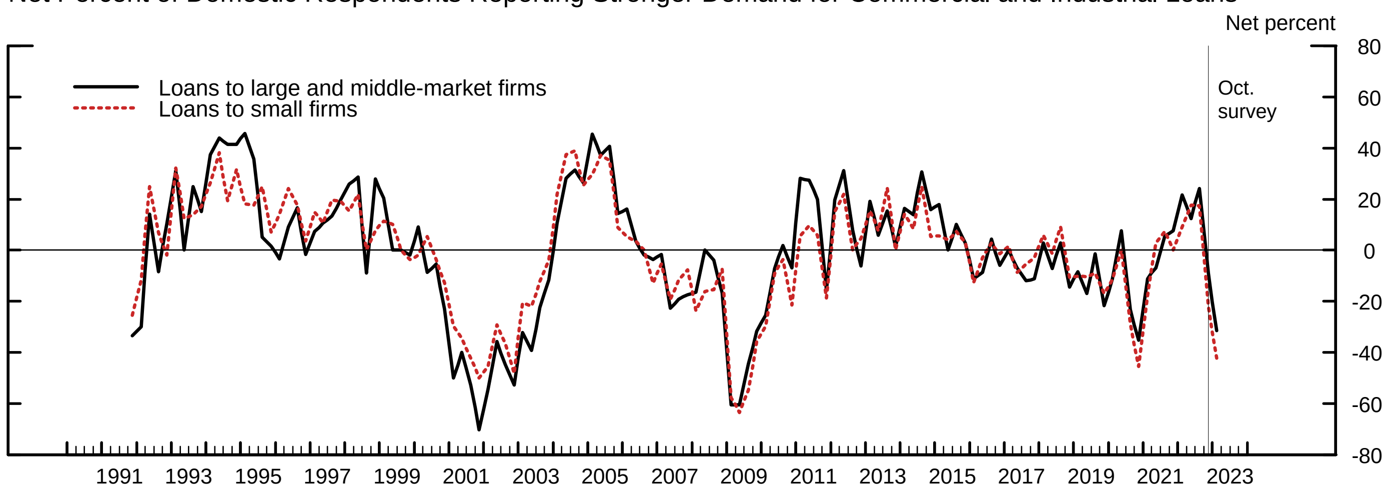
Net Percent of Domestic Respondents Tightening Standards for Commercial and Industrial Loans



Net Percent of Domestic Respondents Increasing Spreads of Loan Rates over Bank's Cost of Funds



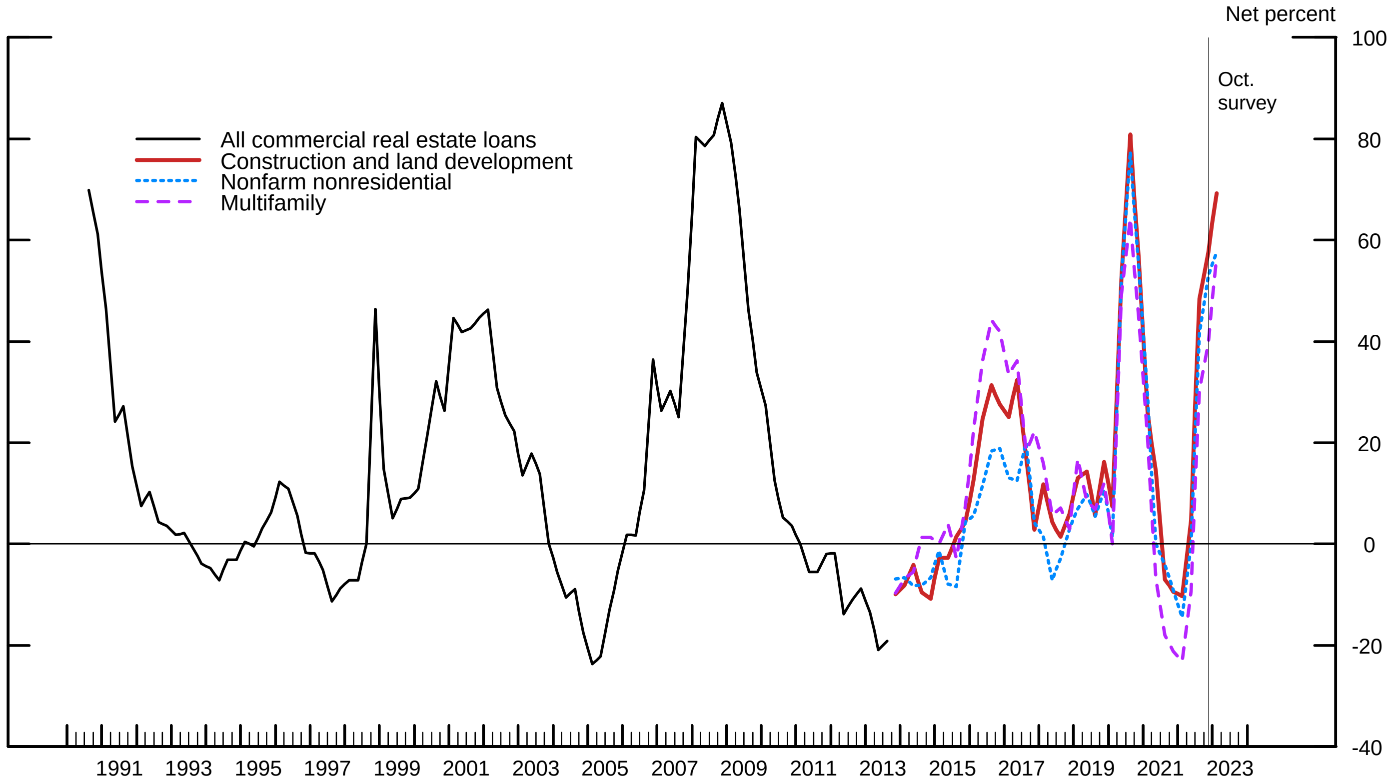
Net Percent of Domestic Respondents Reporting Stronger Demand for Commercial and Industrial Loans



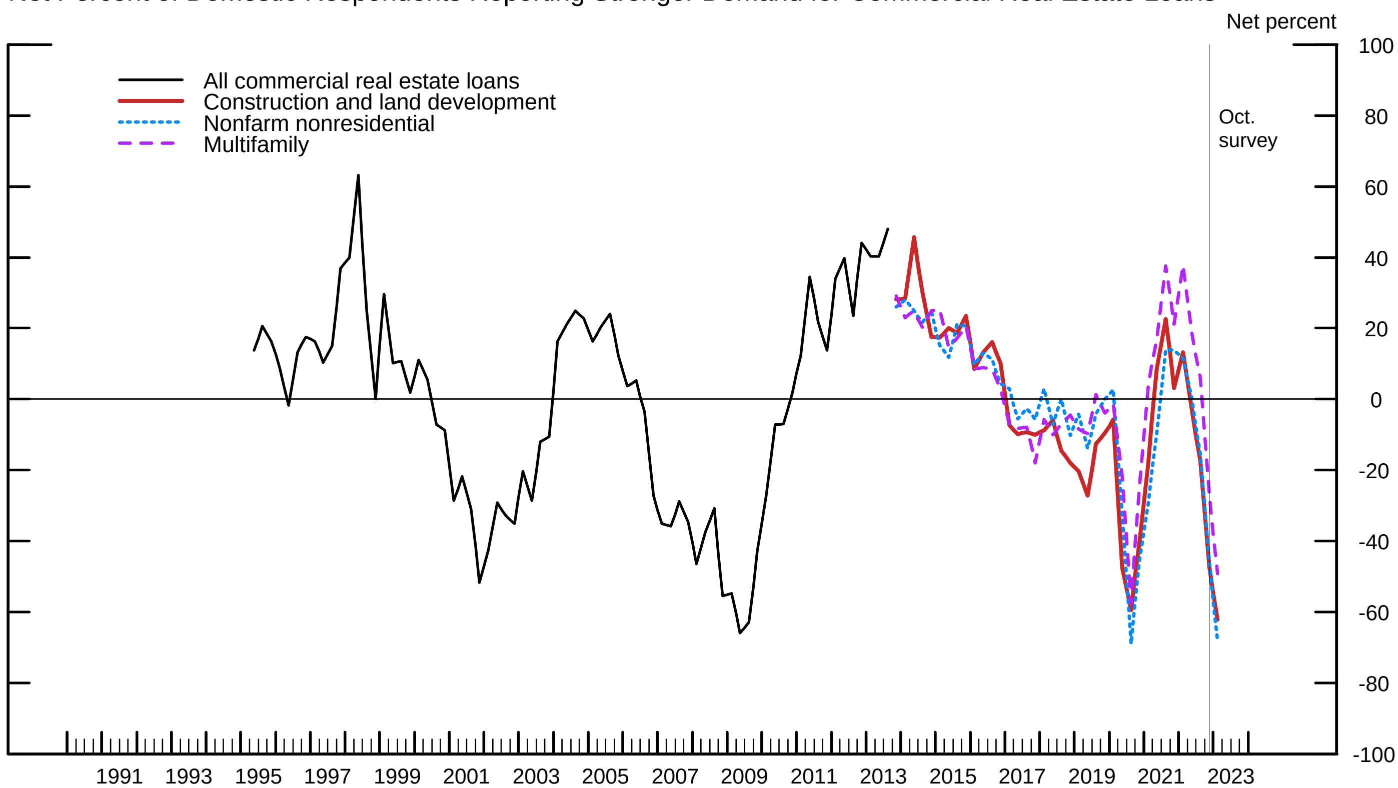
Source: Federal Reserve Board, Senior Loan Officer Opinion Survey on Bank Lending Practices.

Measures of Supply and Demand for Commercial Real Estate Loans

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

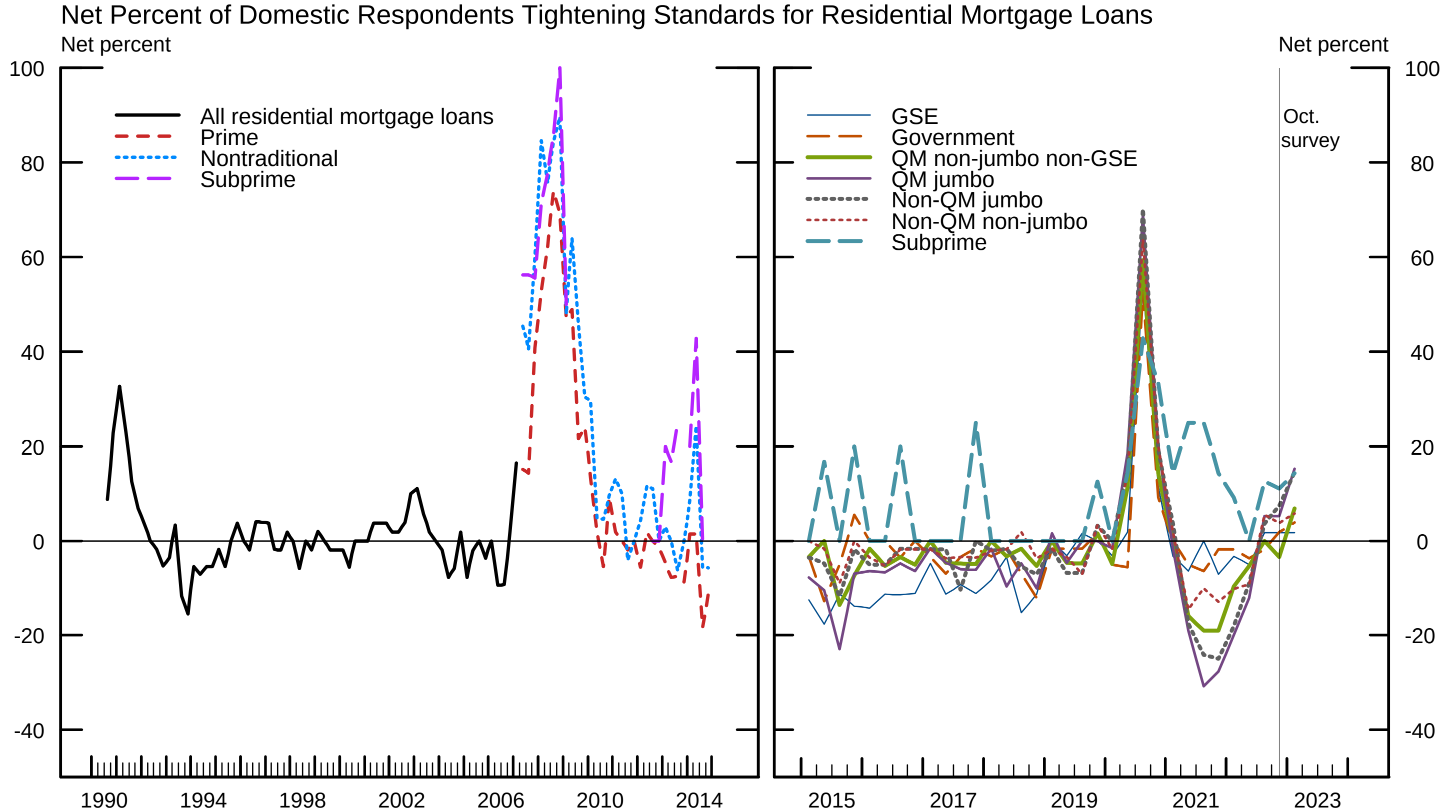


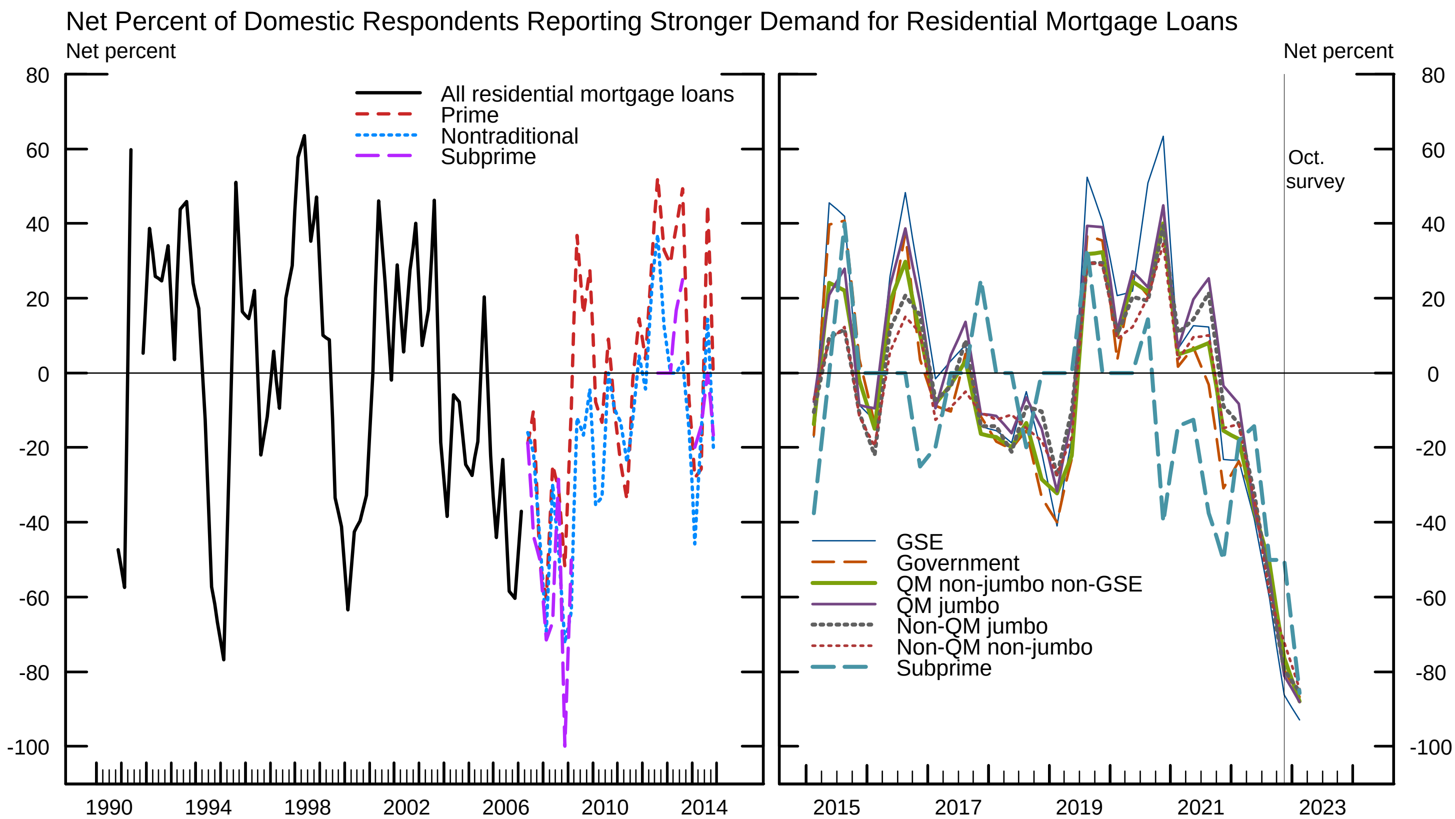
Net Percent of Domestic Respondents Reporting Stronger Demand for Commercial Real Estate Loans



Note: For data starting in 2013:Q4, changes in demand for construction and land development, nonfarm nonresidential, and multifamily loans are reported separately.
Source: Federal Reserve Board, Senior Loan Officer Opinion Survey on Bank Lending Practices.

Measures of Supply and Demand for Residential Mortgage Loans



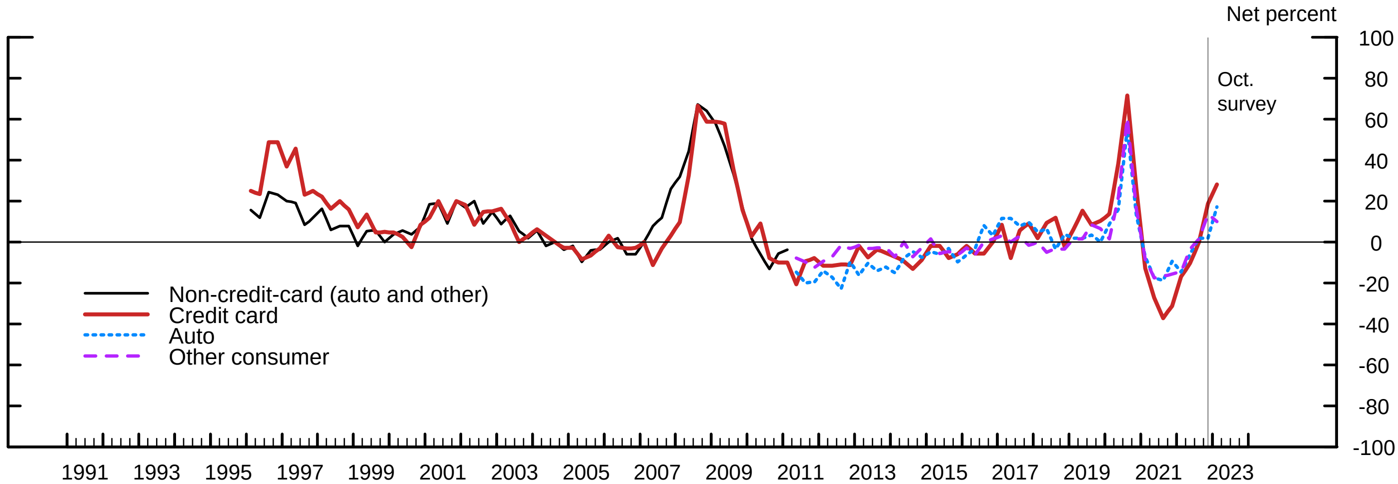


Note: QM is qualified mortgage; GSE is government-sponsored enterprise. For data starting in 2007:Q2, changes in standards and demand for prime, nontraditional, and subprime mortgage loans are reported separately. For data starting in 2015:Q1, changes in standards and demand were expanded into the following 7 categories: GSE-eligible, government, QM non-jumbo non-GSE-eligible, QM jumbo, non-QM jumbo, non-QM non-jumbo, and subprime. Series are set to zero when the number of respondents is 3 or fewer.

Source: Federal Reserve Board, Senior Loan Officer Opinion Survey on Bank Lending Practices.

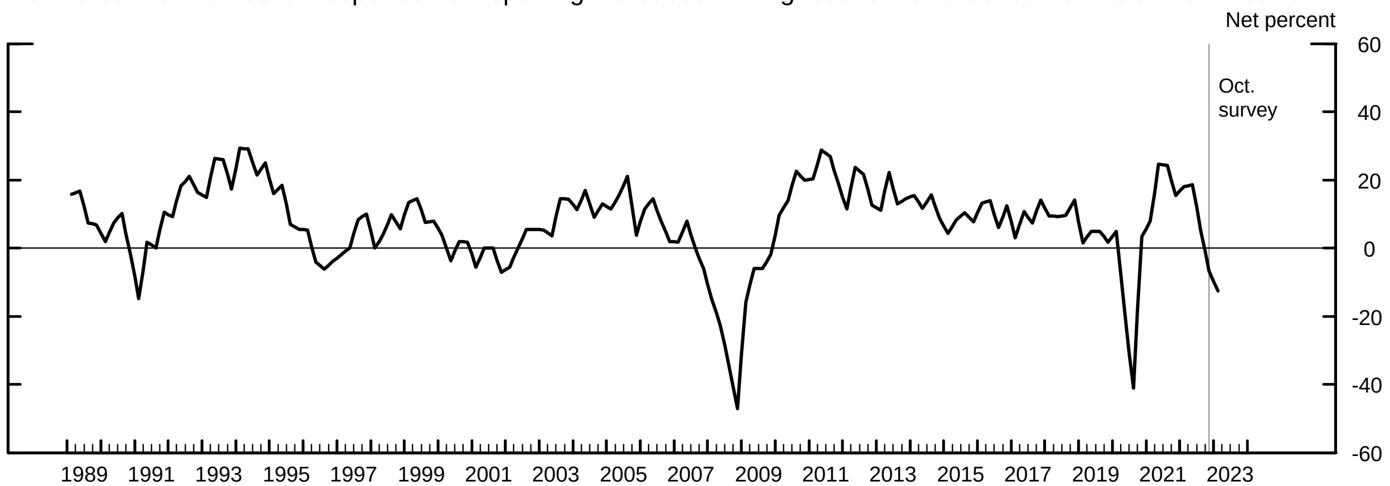
Measures of Supply and Demand for Consumer Loans

Net Percent of Domestic Respondents Tightening Standards for Consumer Loans

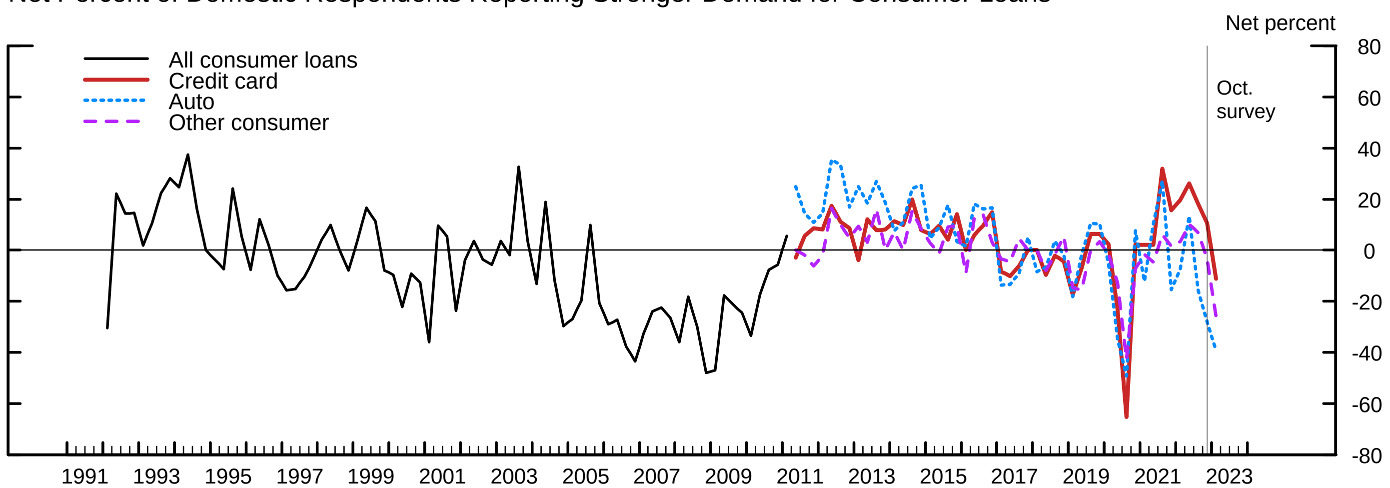


Note: For data starting in 2011:Q2, changes in standards for auto loans and consumer loans excluding credit card and auto loans are reported separately. In 2011:Q2 only, new and used auto loans are reported separately and equally weighted to calculate the auto loans series.

Net Percent of Domestic Respondents Reporting Increased Willingness to Make Consumer Installment Loans



Net Percent of Domestic Respondents Reporting Stronger Demand for Consumer Loans



Note: For data starting in 2011:Q2, changes in demand for credit card loans, auto loans, and consumer loans excluding credit card and auto loans are reported separately.

Source: Federal Reserve Board, Senior Loan Officer Opinion Survey on Bank Lending Practices.

Table 1

Senior Loan Officer Opinion Survey on Bank Lending Practices at Selected Large Banks in the United States [1]

(Status of Policy as of January 2023)

Questions 1-6 *ask about commercial and industrial (C&I) loans at your bank. Questions 1-3 deal with changes in your bank's lending policies over the past three months. Questions 4-5 deal with changes in demand for C&I loans over the past three months. Question 6 asks about changes in prospective demand for C&I loans at your bank, as indicated by the volume of recent inquiries about the availability of new credit lines or increases in existing lines. If your bank's lending policies have not changed over the past three months, please report them as unchanged even if the policies are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies as changes in policies.*

1. Over the past three months, how have your bank's credit standards for approving applications for C&I loans or credit lines - other than those to be used to finance mergers and acquisitions - to large and middle-market firms and to small firms changed? (If your bank defines firm size differently from the categories suggested below, please use your definitions and indicate what they are.)

A. Standards for **large and middle-market firms** (annual sales of $50 million or more):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.5	0	0.0	1	3.1
Tightened somewhat	29	43.3	16	45.7	13	40.6
Remained basically unchanged	37	55.2	19	54.3	18	56.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	67	100	35	100	32	100

For this question, 1 respondent answered "My bank does not originate C&I loans or credit lines to large and middle-market firms."

B. Standards for **small firms** (annual sales of less than $50 million):

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	2	3.1	0	0.0	2	6.2
Tightened somewhat	26	40.6	12	37.5	14	43.8
Remained basically unchanged	36	56.2	20	62.5	16	50.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100	32	100	32	100

For this question, 4 respondents answered "My bank does not originate C&I loans or credit lines to small firms."

2. For applications for C&I loans or credit lines-other than those to be used to finance mergers and acquisitions-from large and middle-market firms and from small firms that your bank currently is willing to approve, how have the terms of those loans changed over the past three months?

A. Terms for **large and middle-market firms** (annual sales of $50 million or more):

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	14	20.9	10	28.6	4	12.5
Remained basically unchanged	51	76.1	23	65.7	28	87.5
Eased somewhat	2	3.0	2	5.7	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	67	100	35	100	32	100

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	14	21.2	10	28.6	4	12.9
Remained basically unchanged	52	78.8	25	71.4	27	87.1
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	66	100	35	100	31	100

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.5	0	0.0	1	3.1
Tightened somewhat	25	37.9	16	47.1	9	28.1
Remained basically unchanged	40	60.6	18	52.9	22	68.8
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	66	100	34	100	32	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	32	47.8	20	57.1	12	37.5
Remained basically unchanged	33	49.3	14	40.0	19	59.4
Eased somewhat	2	3.0	1	2.9	1	3.1
Eased considerably	0	0.0	0	0.0	0	0.0
Total	67	100	35	100	32	100

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	3	4.5	2	5.7	1	3.2
Tightened somewhat	30	45.5	19	54.3	11	35.5
Remained basically unchanged	33	50.0	14	40.0	19	61.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	66	100	35	100	31	100

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	21	32.8	12	35.3	9	30.0
Remained basically unchanged	43	67.2	22	64.7	21	70.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100	34	100	30	100

g. Collateralization requirements

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	16	23.9	7	20.0	9	28.1
Remained basically unchanged	51	76.1	28	80.0	23	71.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	67	100	35	100	32	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	10	15.2	3	8.8	7	21.9
Remained basically unchanged	53	80.3	31	91.2	22	68.8
Eased somewhat	3	4.5	0	0.0	3	9.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	66	100	34	100	32	100

B. Terms for **small firms** (annual sales of less than $50 million):

a. Maximum size of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.6	0	0.0	1	3.1
Tightened somewhat	8	12.7	3	9.7	5	15.6
Remained basically unchanged	54	85.7	28	90.3	26	81.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100	31	100	32	100

b. Maximum maturity of loans or credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	1	1.6	0	0.0	1	3.2
Tightened somewhat	9	14.3	5	15.6	4	12.9
Remained basically unchanged	53	84.1	27	84.4	26	83.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100	32	100	31	100

c. Costs of credit lines

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	19	30.2	10	31.2	9	29.0
Remained basically unchanged	44	69.8	22	68.8	22	71.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100	32	100	31	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	24	37.5	12	37.5	12	37.5
Remained basically unchanged	37	57.8	19	59.4	18	56.2
Eased somewhat	3	4.7	1	3.1	2	6.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100	32	100	32	100

e. Premiums charged on riskier loans

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.6	0	0.0	1	3.1
Tightened somewhat	24	37.5	12	37.5	12	37.5
Remained basically unchanged	39	60.9	20	62.5	19	59.4
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100	32	100	32	100

f. Loan covenants

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	16	25.8	6	18.8	10	33.3
Remained basically unchanged	46	74.2	26	81.2	20	66.7
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	62	100	32	100	30	100

g. Collateralization requirements

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.6	0	0.0	1	3.2
Tightened somewhat	13	20.6	5	15.6	8	25.8
Remained basically unchanged	49	77.8	27	84.4	22	71.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	63	100	32	100	31	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	9	14.1	1	3.1	8	25.0
Remained basically unchanged	52	81.2	31	96.9	21	65.6
Eased somewhat	3	4.7	0	0.0	3	9.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	64	100	32	100	32	100

3. If your bank has tightened or eased its credit standards or its terms for C&I loans or credit lines over the past three months (as described in questions 1 and 2), how important have been the following possible reasons for the change? (Please respond to either A, B, or both as appropriate.)

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

a. Deterioration in your bank's current or expected capital position

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	33	80.5	20	83.3	13	76.5
Somewhat Important	3	7.3	1	4.2	2	11.8
Very Important	5	12.2	3	12.5	2	11.8
Total	41	100	24	100	17	100

b. Less favorable or more uncertain economic outlook

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Not Important	0	0.0	0	0.0	0	0.0
Somewhat Important	22	50.0	16	61.5	6	33.3
Very Important	22	50.0	10	38.5	12	66.7
Total	44	100	26	100	18	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	19	46.3	11	44.0	8	50.0
Somewhat Important	16	39.0	11	44.0	5	31.2
Very Important	6	14.6	3	12.0	3	18.8
Total	41	100	25	100	16	100

d. Less aggressive competition from other banks or nonbank lenders (other financial intermediaries or the capital markets)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	27	64.3	17	68.0	10	58.8
Somewhat Important	15	35.7	8	32.0	7	41.2
Very Important	0	0.0	0	0.0	0	0.0
Total	42	100	25	100	17	100

e. Reduced tolerance for risk

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	12	28.6	7	28.0	5	29.4
Somewhat Important	30	71.4	18	72.0	12	70.6
Very Important	0	0.0	0	0.0	0	0.0
Total	42	100	25	100	17	100

f. Decreased liquidity in the secondary market for these loans

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	22	51.2	13	52.0	9	50.0
Somewhat Important	21	48.8	12	48.0	9	50.0
Very Important	0	0.0	0	0.0	0	0.0
Total	43	100	25	100	18	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	29	69.0	20	80.0	9	52.9
Somewhat Important	10	23.8	5	20.0	5	29.4
Very Important	3	7.1	0	0.0	3	17.6
Total	42	100	25	100	17	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	33	78.6	21	84.0	12	70.6
Somewhat Important	7	16.7	3	12.0	4	23.5
Very Important	2	4.8	1	4.0	1	5.9
Total	42	100	25	100	17	100

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

a. Improvement in your bank's current or expected capital position

Responses are not reported when the number of respondents is 3 or fewer.

b. More favorable or less uncertain economic outlook

Responses are not reported when the number of respondents is 3 or fewer.

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

Responses are not reported when the number of respondents is 3 or fewer.

d. More aggressive competition from other banks or nonbank lenders (other financial intermediaries or the capital markets)

Responses are not reported when the number of respondents is 3 or fewer.

e. Increased tolerance for risk

Responses are not reported when the number of respondents is 3 or fewer.

f. Increased liquidity in the secondary market for these loans

Responses are not reported when the number of respondents is 3 or fewer.

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

Responses are not reported when the number of respondents is 3 or fewer.

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

Responses are not reported when the number of respondents is 3 or fewer.

4. Apart from normal seasonal variation, how has demand for C&I loans changed over the past three months? (Please consider only funds actually disbursed as opposed to requests for new or increased lines of credit.)

A. Demand for C&I loans from **large and middle-market firms** (annual sales of $50 million or more):

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	5	7.5	4	11.4	1	3.1
About the same	36	53.7	17	48.6	19	59.4
Moderately weaker	25	37.3	14	40.0	11	34.4
Substantially weaker	1	1.5	0	0.0	1	3.1
Total	67	100	35	100	32	100

B. Demand for C&I loans from **small firms** (annual sales of less than $50 million):

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	5	7.8	2	6.2	3	9.4
About the same	27	42.2	14	43.8	13	40.6
Moderately weaker	31	48.4	15	46.9	16	50.0
Substantially weaker	1	1.6	1	3.1	0	0.0
Total	64	100	32	100	32	100

5. If demand for C&I loans has strengthened or weakened over the past three months (as described in question 4), how important have been the following possible reasons for the change? (Please respond to either A, B, or both as appropriate.)

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

a. Customer inventory financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	1	12.5	1	20.0	0	0.0
Somewhat Important	6	75.0	4	80.0	2	66.7
Very Important	1	12.5	0	0.0	1	33.3
Total	8	100	5	100	3	100

b. Customer accounts receivable financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	1	12.5	1	20.0	0	0.0
Somewhat Important	5	62.5	4	80.0	1	33.3
Very Important	2	25.0	0	0.0	2	66.7
Total	8	100	5	100	3	100

c. Customer investment in plant or equipment increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	3	37.5	3	60.0	0	0.0
Somewhat Important	5	62.5	2	40.0	3	100.0
Very Important	0	0.0	0	0.0	0	0.0
Total	8	100	5	100	3	100

d. Customer internally generated funds decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	2	25.0	1	20.0	1	33.3
Somewhat Important	5	62.5	4	80.0	1	33.3
Very Important	1	12.5	0	0.0	1	33.3
Total	8	100	5	100	3	100

e. Customer merger or acquisition financing needs increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	5	62.5	3	60.0	2	66.7
Somewhat Important	3	37.5	2	40.0	1	33.3
Very Important	0	0.0	0	0.0	0	0.0
Total	8	100	5	100	3	100

f. Customer borrowing shifted to your bank from other bank or nonbank sources because these other sources became less attractive

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	2	25.0	0	0.0	2	66.7
Somewhat Important	4	50.0	3	60.0	1	33.3
Very Important	2	25.0	2	40.0	0	0.0
Total	8	100	5	100	3	100

g. Customer precautionary demand for cash and liquidity increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	1	12.5	1	20.0	0	0.0
Somewhat Important	6	75.0	3	60.0	3	100.0
Very Important	1	12.5	1	20.0	0	0.0
Total	8	100	5	100	3	100

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

a. Customer inventory financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	10	34.5	7	41.2	3	25.0
Somewhat Important	19	65.5	10	58.8	9	75.0
Very Important	0	0.0	0	0.0	0	0.0
Total	29	100	17	100	12	100

b. Customer accounts receivable financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	13	44.8	8	47.1	5	41.7
Somewhat Important	16	55.2	9	52.9	7	58.3
Very Important	0	0.0	0	0.0	0	0.0
Total	29	100	17	100	12	100

c. Customer investment in plant or equipment decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	3	10.3	3	17.6	0	0.0
Somewhat Important	22	75.9	13	76.5	9	75.0
Very Important	4	13.8	1	5.9	3	25.0
Total	29	100	17	100	12	100

d. Customer internally generated funds increased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	22	75.9	16	94.1	6	50.0
Somewhat Important	6	20.7	1	5.9	5	41.7
Very Important	1	3.4	0	0.0	1	8.3
Total	29	100	17	100	12	100

e. Customer merger or acquisition financing needs decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	8	26.7	5	29.4	3	23.1
Somewhat Important	14	46.7	7	41.2	7	53.8
Very Important	8	26.7	5	29.4	3	23.1
Total	30	100	17	100	13	100

f. Customer borrowing shifted from your bank to other bank or nonbank sources because these other sources became more attractive

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	25	89.3	16	94.1	9	81.8
Somewhat Important	2	7.1	1	5.9	1	9.1
Very Important	1	3.6	0	0.0	1	9.1
Total	28	100	17	100	11	100

g. Customer precautionary demand for cash and liquidity decreased

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not Important	19	65.5	13	76.5	6	50.0
Somewhat Important	9	31.0	3	17.6	6	50.0
Very Important	1	3.4	1	5.9	0	0.0
Total	29	100	17	100	12	100

6. At your bank, apart from seasonal variation, how has the number of inquiries from potential business borrowers regarding the availability and terms of new credit lines or increases in existing lines changed over the past three months? (Please consider only inquiries for additional or increased C&I lines as opposed to the refinancing of existing loans.)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
The number of inquiries has increased substantially	1	1.5	1	2.9	0	0.0
The number of inquiries has increased moderately	6	9.1	4	11.8	2	6.2
The number of inquiries has stayed about the same	29	43.9	14	41.2	15	46.9
The number of inquiries has decreased moderately	28	42.4	15	44.1	13	40.6
The number of inquiries has decreased substantially	2	3.0	0	0.0	2	6.2
Total	66	100	34	100	32	100

For this question, 1 respondent answered "My bank does not originate C&I lines of credit."

Questions 7-12 *ask about changes in standards and demand over the past three months for three different types of commercial real estate (CRE) loans at your bank: construction and land development loans, loans secured by nonfarm nonresidential properties, and loans* *secured by multifamily residential properties. Please report changes in enforcement of existing policies as changes in policies.*

7. Over the past three months, how have your bank's credit standards for approving new applications for **construction and land development loans** or credit lines changed?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	10	15.4	5	15.2	5	15.6
Tightened somewhat	35	53.8	19	57.6	16	50.0
Remained basically unchanged	20	30.8	9	27.3	11	34.4
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	65	100	33	100	32	100

For this question, 2 respondents answered "My bank does not originate construction and land development loans or credit lines."

8. Over the past three months, how have your bank's credit standards for approving new applications for **loans secured by nonfarm nonresidential properties** changed?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	3	4.5	2	5.7	1	3.2
Tightened somewhat	35	53.0	19	54.3	16	51.6
Remained basically unchanged	28	42.4	14	40.0	14	45.2
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	66	100	35	100	31	100

For this question, 2 respondents answered "My bank does not originate loans secured by nonfarm nonresidential properties."

9. Over the past three months, how have your bank's credit standards for approving new applications for **loans secured by multifamily residential properties** changed?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	3	4.5	2	5.7	1	3.1
Tightened somewhat	35	52.2	16	45.7	19	59.4
Remained basically unchanged	29	43.3	17	48.6	12	37.5
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	67	100	35	100	32	100

For this question, 1 respondent answered "My bank does not originate loans secured by multifamily residential properties."

10. Apart from normal seasonal variation, how has demand for **construction and land**

development loans 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.)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	1	1.5	1	2.9	0	0.0
About the same	23	34.8	13	38.2	10	31.2
Moderately weaker	29	43.9	12	35.3	17	53.1
Substantially weaker	13	19.7	8	23.5	5	15.6
Total	66	100	34	100	32	100

11. Apart from normal seasonal variation, how has demand for **loans secured by nonfarm nonresidential properties** 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.)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	2	3.0	2	5.7	0	0.0
About the same	17	25.8	8	22.9	9	29.0
Moderately weaker	40	60.6	21	60.0	19	61.3
Substantially weaker	7	10.6	4	11.4	3	9.7
Total	66	100	35	100	31	100

12. Apart from normal seasonal variation, how has demand for **loans secured by multifamily residential properties** 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.)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	3	4.5	3	8.6	0	0.0
About the same	28	41.8	14	40.0	14	43.8
Moderately weaker	30	44.8	15	42.9	15	46.9
Substantially weaker	6	9.0	3	8.6	3	9.4
Total	67	100	35	100	32	100

Note: Beginning with the January 2015 survey, the loan categories referred to in the questions regarding changes in credit standards and demand for residential mortgage loans have been revised to reflect the Consumer Financial Protection Bureau's qualified mortgage rules.

***Questions 13-14** ask about seven categories of **residential mortgage loans** at your bank:*

Government-Sponsored Enterprise eligible (GSE-eligible) residential mortgages, government residential mortgages, Qualified Mortgage non-jumbo non-GSE-eligible (QM non-jumbo, non-GSE-eligible) residential mortgages, QM jumbo residential mortgages, non-QM jumbo residential mortgages, non-QM non-jumbo residential mortgages, and subprime residential mortgages. For the purposes of this survey, please use the following definitions of these loan categories and include first-lien closed-end loans to purchase homes only. The loan categories have been defined so that every first-lien closed-end residential mortgage loan used for home purchase fits into one of the following seven categories:

- *The **GSE-eligible** category of residential mortgages includes loans that meet the underwriting guidelines, including loan limit amounts, of the GSEs - Fannie Mae and Freddie Mac.*
- *The **government** category of residential mortgages includes loans that are insured by the Federal Housing Administration, guaranteed by the Department of Veterans Affairs, or originated under government programs, including the U.S. Department of Agriculture home loan programs.*
- *The **QM non-jumbo, non-GSE-eligible** category of residential mortgages includes loans that satisfy the standards for a qualified mortgage and have loan balances that are below the loan limit amounts set by the GSEs but otherwise do not meet the GSE underwriting guidelines.*
- *The **QM jumbo** category of residential mortgages includes loans that satisfy the standards for a qualified mortgage but have loan balances that are above the loan limit amount set by the GSEs.*
- *The **non-QM jumbo** category of residential mortgages includes loans that do not satisfy the standards for a qualified mortgage and have loan balances that are above the loan limit amount set by the GSEs.*
- *The **non-QM non-jumbo** category of residential mortgages includes loans that do not satisfy the standards for a qualified mortgage and have loan balances that are below the loan limit amount set by the GSEs.(Please exclude loans classified by your bank as subprime in this category.)*
- *The **subprime** category of residential mortgages includes loans classified by your bank as subprime. This category typically includes loans made to borrowers with weakened credit histories that include payment delinquencies, charge-offs, judgements, and/or bankruptcies; reduced repayment capacity as measured by credit scores or debt-to-income ratios; or incomplete credit histories.*

Question 13 *deals with changes in your bank's credit standards for loans in each of the seven loan categories over the past three months. If your bank's credit standards have not changed over the relevant period, please report them as unchanged even if the standards are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in* *enforcement of existing standards as changes in standards.*

***Question 14** deals with changes in demand for loans in each of the seven loan categories over the past three months.*

13. Over the past three months, how have your bank's credit standards for approving applications from individuals for mortgage loans to purchase homes changed? (Please consider only new originations as opposed to the refinancing of existing mortgages.)

A. Credit standards on mortgage loans that your bank categorizes as ***GSE-eligible*** residential mortgages have:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	3.5	1	3.8	1	3.2
Remained basically unchanged	54	94.7	25	96.2	29	93.5
Eased somewhat	1	1.8	0	0.0	1	3.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100	26	100	31	100

For this question, 10 respondents answered "My bank does not originate GSE-eligible residential mortgages."

B. Credit standards on mortgage loans that your bank categorizes as ***government*** residential mortgages have:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.8	2	8.7	1	3.4
Remained basically unchanged	48	92.3	21	91.3	27	93.1
Eased somewhat	1	1.9	0	0.0	1	3.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100	23	100	29	100

For this question, 14 respondents answered "My bank does not originate government residential mortgages."

C. Credit standards on mortgage loans that your bank categorizes as ***QM non-jumbo, non-GSE-eligible*** residential mortgages have:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	8.6	3	10.7	2	6.7
Remained basically unchanged	52	89.7	24	85.7	28	93.3
Eased somewhat	1	1.7	1	3.6	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100	28	100	30	100

For this question, 9 respondents answered "My bank does not originate QM non-jumbo, non-GSE-eligible residential mortgages."

D. Credit standards on mortgage loans that your bank categorizes as ***QM jumbo*** residential mortgages have:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	9	15.3	4	14.3	5	16.1
Remained basically unchanged	50	84.7	24	85.7	26	83.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	59	100	28	100	31	100

For this question, 8 respondents answered "My bank does not originate QM jumbo residential mortgages."

E. Credit standards on mortgage loans that your bank categorizes as ***non-QM jumbo*** residential mortgages have:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	9	16.4	5	17.2	4	15.4
Remained basically unchanged	45	81.8	23	79.3	22	84.6
Eased somewhat	1	1.8	1	3.4	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	55	100	29	100	26	100

For this question, 12 respondents answered "My bank does not originate non-QM jumbo residential mortgages."

F. Credit standards on mortgage loans that your bank categorizes as ***non-QM non-jumbo*** residential mortgages have:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	9.6	3	10.7	2	8.3
Remained basically unchanged	45	86.5	24	85.7	21	87.5
Eased somewhat	2	3.8	1	3.6	1	4.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100	28	100	24	100

For this question, 15 respondents answered "My bank does not originate non-QM non-jumbo residential mortgages."

G. Credit standards on mortgage loans that your bank categorizes as ***subprime*** residential mortgages have:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	2	28.6	1	50.0	1	20.0
Remained basically unchanged	4	57.1	1	50.0	3	60.0
Eased somewhat	1	14.3	0	0.0	1	20.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	7	100	2	100	5	100

For this question, 60 respondents answered "My bank does not originate subprime residential mortgages."

14. Apart from normal seasonal variation, how has demand for mortgages to purchase homes changed over the past three months? (Please consider only applications for new originations as opposed to applications for refinancing of existing mortgages.)

A. Demand for mortgages that your bank categorizes as ***GSE-eligible*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	0	0.0	0	0.0	0	0.0
About the same	4	7.0	0	0.0	4	12.9
Moderately weaker	28	49.1	15	57.7	13	41.9
Substantially weaker	25	43.9	11	42.3	14	45.2
Total	57	100	26	100	31	100

B. Demand for mortgages that your bank categorizes as ***government*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	0	0.0	0	0.0	0	0.0
About the same	7	13.2	3	13.0	4	13.3
Moderately weaker	25	47.2	10	43.5	15	50.0
Substantially weaker	21	39.6	10	43.5	11	36.7
Total	53	100	23	100	30	100

C. Demand for mortgages that your bank categorizes as ***QM non-jumbo, non-GSE-eligible*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	0	0.0	0	0.0	0	0.0
About the same	7	12.1	2	7.1	5	16.7
Moderately weaker	32	55.2	17	60.7	15	50.0
Substantially weaker	19	32.8	9	32.1	10	33.3
Total	58	100	28	100	30	100

D. Demand for mortgages that your bank categorizes as ***QM jumbo*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	0	0.0	0	0.0	0	0.0
About the same	7	11.9	2	7.1	5	16.1
Moderately weaker	28	47.5	14	50.0	14	45.2
Substantially weaker	24	40.7	12	42.9	12	38.7
Total	59	100	28	100	31	100

E. Demand for mortgages that your bank categorizes as ***non-QM jumbo*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	0	0.0	0	0.0	0	0.0
About the same	8	14.5	4	13.8	4	15.4
Moderately weaker	25	45.5	14	48.3	11	42.3
Substantially weaker	22	40.0	11	37.9	11	42.3
Total	55	100	29	100	26	100

F. Demand for mortgages that your bank categorizes as ***non-QM non-jumbo*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	0	0.0	0	0.0	0	0.0
About the same	8	15.4	5	17.9	3	12.5
Moderately weaker	25	48.1	14	50.0	11	45.8
Substantially weaker	19	36.5	9	32.1	10	41.7
Total	52	100	28	100	24	100

G. Demand for mortgages that your bank categorizes as ***subprime*** residential mortgages was:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	0	0.0	0	0.0	0	0.0
About the same	1	14.3	1	50.0	0	0.0
Moderately weaker	5	71.4	1	50.0	4	80.0
Substantially weaker	1	14.3	0	0.0	1	20.0
Total	7	100	2	100	5	100

Questions 15-16 *ask about* ***revolving home equity lines of credit*** *at your bank. Question 15 deals with changes in your bank's credit standards over the past three months. Question 16 deals with changes in demand. If your bank's credit standards have not changed over the relevant period, please report them as unchanged even if they are either restrictive or accommodative relative to longer-term norms. If your bank's credit standards have tightened or eased over the relevant period, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing standards as changes in standards.*

15. Over the past three months, how have your bank's credit standards for approving applications for revolving home equity lines of credit changed?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	7	13.2	4	16.0	3	10.7
Remained basically unchanged	44	83.0	20	80.0	24	85.7
Eased somewhat	2	3.8	1	4.0	1	3.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	53	100	25	100	28	100

For this question, 13 respondents answered "My bank does not originate revolving home equity lines of credit."

16. Apart from normal seasonal variation, how has demand for revolving home equity lines of

credit changed over the past three months? (Please consider only funds actually disbursed as opposed to requests for new or increased lines of credit.)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	1	1.9	0	0.0	1	3.4
Moderately stronger	5	9.3	3	12.0	2	6.9
About the same	30	55.6	13	52.0	17	58.6
Moderately weaker	16	29.6	8	32.0	8	27.6
Substantially weaker	2	3.7	1	4.0	1	3.4
Total	54	100	25	100	29	100

Questions 17-26 *ask about consumer lending at your bank. Question 17 deals with changes in your bank's willingness to make consumer installment loans over the past three months. Questions 18-23 deal with changes in credit standards and loan terms over the same period. Questions 24-26 deal with changes in demand for consumer loans over the past three months. If your bank's lending policies have not changed over the past three months, please report them as unchanged even if the policies are either restrictive or accommodative relative to longer-term norms. If your bank's policies have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies as changes in policies.*

17. Please indicate your bank's willingness to make **consumer installment loans** now as opposed to three months ago. (This question covers the range of consumer installment loans defined as consumer loans with a set number of scheduled payments, such as auto loans, student loans, and personal loans. It does not cover credit cards and other types of revolving credit, nor mortgages, which are included under the residential real estate questions.)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Much more willing	0	0.0	0	0.0	0	0.0
Somewhat more willing	2	3.6	1	4.0	1	3.2
About unchanged	45	80.4	18	72.0	27	87.1
Somewhat less willing	9	16.1	6	24.0	3	9.7
Much less willing	0	0.0	0	0.0	0	0.0
Total	56	100	25	100	31	100

For this question, 10 respondents answered "My bank does not originate consumer installment loans."

18. Over the past three months, how have your bank's credit standards for approving applications for **credit cards** from individuals or households changed?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	13	28.3	9	33.3	4	21.1
Remained basically unchanged	33	71.7	18	66.7	15	78.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	46	100	27	100	19	100

For this question, 20 respondents answered "My bank does not originate credit card loans to individuals or households."

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	10	19.2	7	30.4	3	10.3
Remained basically unchanged	41	78.8	15	65.2	26	89.7
Eased somewhat	1	1.9	1	4.3	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	52	100	23	100	29	100

For this question, 15 respondents answered "My bank does not originate auto loans to individuals or households."

20. Over the past three months, how have your bank's credit standards for approving applications for **consumer loans other than credit card and auto loans** changed?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	6	10.2	3	10.7	3	9.7
Remained basically unchanged	53	89.8	25	89.3	28	90.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	59	100	28	100	31	100

For this question, 8 respondents answered "My bank does not originate consumer loans other than credit card or auto loans."

21. Over the past three months, how has your bank changed the following terms and

conditions on new or existing **credit card accounts** for individuals or households?

a. Credit limits

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	6	13.3	4	14.8	2	11.1
Remained basically unchanged	39	86.7	23	85.2	16	88.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	45	100	27	100	18	100

b. Spreads of interest rates charged on outstanding balances over your bank's cost of funds (wider spreads=tightened, narrower spreads=eased)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	6.7	1	3.7	2	11.1
Remained basically unchanged	40	88.9	25	92.6	15	83.3
Eased somewhat	2	4.4	1	3.7	1	5.6
Eased considerably	0	0.0	0	0.0	0	0.0
Total	45	100	27	100	18	100

c. Minimum percent of outstanding balances required to be repaid each month

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	45	100.0	27	100.0	18	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	45	100	27	100	18	100

d. Minimum required credit score (increased score=tightened, reduced score=eased)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	6	13.6	3	11.5	3	16.7
Remained basically unchanged	38	86.4	23	88.5	15	83.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	44	100	26	100	18	100

e. The extent to which loans are granted to some customers that do not meet credit scoring thresholds (increased=eased, decreased=tightened)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	6	13.3	3	11.1	3	16.7
Remained basically unchanged	38	84.4	23	85.2	15	83.3
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	1	2.2	1	3.7	0	0.0
Total	45	100	27	100	18	100

22. Over the past three months, how has your bank changed the following terms and conditions on **loans to individuals or households to purchase autos?**

a. Maximum maturity

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	2.0	1	4.5	0	0.0
Remained basically unchanged	48	94.1	20	90.9	28	96.6
Eased somewhat	2	3.9	1	4.5	1	3.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100	22	100	29	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	10	19.6	4	18.2	6	20.7
Remained basically unchanged	38	74.5	16	72.7	22	75.9
Eased somewhat	3	5.9	2	9.1	1	3.4
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100	22	100	29	100

c. Minimum required down payment (higher=tightened, lower=eased)

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	10.0	3	13.6	2	7.1
Remained basically unchanged	45	90.0	19	86.4	26	92.9
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	50	100	22	100	28	100

d. Minimum required credit score (increased score=tightened, reduced score=eased)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.9	2	9.1	1	3.4
Remained basically unchanged	48	94.1	20	90.9	28	96.6
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100	22	100	29	100

e. The extent to which loans are granted to some customers that do not meet credit scoring thresholds (increased=eased, decreased=tightened)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.9	1	4.5	2	6.9
Remained basically unchanged	47	92.2	20	90.9	27	93.1
Eased somewhat	1	2.0	1	4.5	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	51	100	22	100	29	100

23. Over the past three months, how has your bank changed the following terms and conditions on **consumer loans other than credit card and auto loans?**

a. Maximum maturity

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	0	0.0	0	0.0	0	0.0
Remained basically unchanged	58	100.0	27	100.0	31	100.0
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100	27	100	31	100

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

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	1	1.7	1	3.7	0	0.0
Tightened somewhat	7	12.1	2	7.4	5	16.1
Remained basically unchanged	47	81.0	22	81.5	25	80.6
Eased somewhat	3	5.2	2	7.4	1	3.2
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100	27	100	31	100

c. Minimum required down payment (higher=tightened, lower=eased)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	1	1.8	0	0.0	1	3.2
Remained basically unchanged	56	98.2	26	100.0	30	96.8
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	57	100	26	100	31	100

d. Minimum required credit score (increased score=tightened, reduced score=eased)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	5	8.6	3	11.1	2	6.5
Remained basically unchanged	53	91.4	24	88.9	29	93.5
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100	27	100	31	100

e. The extent to which loans are granted to some customers that do not meet credit scoring thresholds (increased=eased, decreased=tightened)

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tightened considerably	0	0.0	0	0.0	0	0.0
Tightened somewhat	3	5.2	1	3.7	2	6.5
Remained basically unchanged	55	94.8	26	96.3	29	93.5
Eased somewhat	0	0.0	0	0.0	0	0.0
Eased considerably	0	0.0	0	0.0	0	0.0
Total	58	100	27	100	31	100

24. Apart from normal seasonal variation, how has demand from individuals or households for **credit card loans** changed over the past three months?

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	3	6.7	1	3.7	2	11.1
About the same	34	75.6	23	85.2	11	61.1
Moderately weaker	8	17.8	3	11.1	5	27.8
Substantially weaker	0	0.0	0	0.0	0	0.0
Total	45	100	27	100	18	100

25. Apart from normal seasonal variation, how has demand from individuals or households for **auto loans** changed over the past three months?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	4	7.8	1	4.3	3	10.7
About the same	23	45.1	10	43.5	13	46.4
Moderately weaker	22	43.1	10	43.5	12	42.9
Substantially weaker	2	3.9	2	8.7	0	0.0
Total	51	100	23	100	28	100

26. Apart from normal seasonal variation, how has demand from individuals or households for **consumer loans other than credit card and auto loans** changed over the past three months?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Substantially stronger	0	0.0	0	0.0	0	0.0
Moderately stronger	3	5.2	1	3.6	2	6.7
About the same	37	63.8	18	64.3	19	63.3
Moderately weaker	15	25.9	7	25.0	8	26.7
Substantially weaker	3	5.2	2	7.1	1	3.3
Total	58	100	28	100	30	100

Questions 27-30 *ask how your bank expects its* ***lending standards*** *for select categories of* ***C&I, commercial real estate, residential real estate, and consumer loans*** *to change over 2023.* ***Question 31*** *asks about the reasons why your bank expects lending standards to change.*

27. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect its **lending standards** for the following **C&I loan** categories to change over 2023 compared to its current standards, apart from normal seasonal variation? (Please refer to the definitions of large and middle-market firms suggested in question 1. If your bank defines firm size differently from the categories suggested in question 1, please use your definitions.)

A. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **C&I loans or credit lines to large and middle-market firms** to:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tighten considerably	1	1.6	0	0.0	1	3.2
Tighten somewhat	33	52.4	19	59.4	14	45.2
Remain basically unchanged	29	46.0	13	40.6	16	51.6
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease considerably	0	0.0	0	0.0	0	0.0
Total	63	100	32	100	31	100

For this question, 2 respondents answered "My bank does not originate C&I loans or credit lines to large and middle-market firms"

B. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **C&I loans or credit lines to small firms** to:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tighten considerably	0	0.0	0	0.0	0	0.0
Tighten somewhat	33	53.2	18	58.1	15	48.4
Remain basically unchanged	29	46.8	13	41.9	16	51.6
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease considerably	0	0.0	0	0.0	0	0.0
Total	62	100	31	100	31	100

For this question, 3 respondents answered "My bank does not originate C&I loans or credit lines to small firms"

28. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect its **lending standards** for the following **commercial real estate loan** categories to change over 2023 compared to its current standards, apart from normal seasonal variation?

A. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **construction and land development loans or credit lines** to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten considerably	7	10.8	3	8.8	4	12.9
Tighten somewhat	38	58.5	21	61.8	17	54.8
Remain basically unchanged	20	30.8	10	29.4	10	32.3
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease considerably	0	0.0	0	0.0	0	0.0
Total	65	100	34	100	31	100

For this question, 2 respondents answered "My bank does not originate construction and land development loans or credit lines"

B. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **loans secured by nonfarm nonresidential properties** to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten considerably	3	4.5	2	5.7	1	3.2
Tighten somewhat	37	56.1	21	60.0	16	51.6
Remain basically unchanged	26	39.4	12	34.3	14	45.2
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease considerably	0	0.0	0	0.0	0	0.0
Total	66	100	35	100	31	100

For this question, 1 respondent answered "My bank does not originate loans secured by nonfarm nonresidential properties"

C. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **loans secured by multifamily residential properties** to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten considerably	3	4.7	1	2.9	2	6.7
Tighten somewhat	32	50.0	16	47.1	16	53.3
Remain basically unchanged	29	45.3	17	50.0	12	40.0
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease considerably	0	0.0	0	0.0	0	0.0
Total	64	100	34	100	30	100

For this question, 2 respondents answered "My bank does not originate loans secured by multifamily residential properties"

29. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect its **lending standards** for the following **residential real estate loan**

categories to change over 2023 compared to its current standards, apart from normal seasonal variation?

A. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **GSE-eligible residential mortgage loans** to:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tighten considerably	0	0.0	0	0.0	0	0.0
Tighten somewhat	9	16.4	4	16.7	5	16.1
Remain basically unchanged	46	83.6	20	83.3	26	83.9
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease considerably	0	0.0	0	0.0	0	0.0
Total	55	100	24	100	31	100

For this question, 10 respondents answered "My bank does not originate GSE-eligible residential mortgage loans"

B. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **nonconforming jumbo residential mortgage loans** to:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Tighten considerably	1	1.7	0	0.0	1	3.3
Tighten somewhat	19	32.8	11	39.3	8	26.7
Remain basically unchanged	38	65.5	17	60.7	21	70.0
Ease somewhat	0	0.0	0	0.0	0	0.0
Ease considerably	0	0.0	0	0.0	0	0.0
Total	58	100	28	100	30	100

For this question, 7 respondents answered "My bank does not originate nonconforming jumbo residential mortgage loans"

30. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect its **lending standards** for the following **consumer loan** categories to change over 2023 compared to its current standards, apart from normal seasonal variation?

A. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **credit card loans** to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten considerably	0	0.0	0	0.0	0	0.0
Tighten somewhat	19	42.2	14	53.8	5	26.3
Remain basically unchanged	25	55.6	11	42.3	14	73.7
Ease somewhat	1	2.2	1	3.8	0	0.0
Ease considerably	0	0.0	0	0.0	0	0.0
Total	45	100	26	100	19	100

For this question, 20 respondents answered "My bank does not originate credit card loans"

B. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **auto loans** to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Tighten considerably	0	0.0	0	0.0	0	0.0
Tighten somewhat	15	30.0	10	45.5	5	17.9
Remain basically unchanged	32	64.0	9	40.9	23	82.1
Ease somewhat	3	6.0	3	13.6	0	0.0
Ease considerably	0	0.0	0	0.0	0	0.0
Total	50	100	22	100	28	100

For this question, 15 respondents answered "My bank does not originate auto loans"

31. If your bank expects to tighten or ease its lending standards for any of the loan categories reported in questions 27-30, how important are the following **possible reasons for the expected change in standards**? (Please respond to either A, B or both as appropriate.)

A. Possible reasons for expecting to tighten lending standards:

a. Expected deterioration in customers collateral values

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	5	9.8	3	10.0	2	9.5
Somewhat important	31	60.8	19	63.3	12	57.1
Very important	15	29.4	8	26.7	7	33.3
Total	51	100	30	100	21	100

b. Expected reduction in competition from other banks or nonbank lenders

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	33	64.7	20	66.7	13	61.9
Somewhat important	18	35.3	10	33.3	8	38.1
Very important	0	0.0	0	0.0	0	0.0
Total	51	100	30	100	21	100

c. Expected reduction in risk tolerance

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	13	26.0	6	20.7	7	33.3
Somewhat important	35	70.0	22	75.9	13	61.9
Very important	2	4.0	1	3.4	1	4.8
Total	50	100	29	100	21	100

d. Expected reduction in ease of selling loans in the secondary market

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	32	62.7	21	70.0	11	52.4
Somewhat important	16	31.4	8	26.7	8	38.1
Very important	3	5.9	1	3.3	2	9.5
Total	51	100	30	100	21	100

e. Expected deterioration in credit quality of loan portfolio

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	14	27.5	8	26.7	6	28.6
Somewhat important	27	52.9	14	46.7	13	61.9
Very important	10	19.6	8	26.7	2	9.5
Total	51	100	30	100	21	100

f. Increased concerns about the adverse effects of legislative changes, supervisory actions, or changes in accounting standards

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	33	64.7	23	76.7	10	47.6
Somewhat important	14	27.5	5	16.7	9	42.9
Very important	4	7.8	2	6.7	2	9.5
Total	51	100	30	100	21	100

g. Expected decrease in your banks net interest margin

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	36	70.6	22	73.3	14	66.7
Somewhat important	14	27.5	7	23.3	7	33.3
Very important	1	2.0	1	3.3	0	0.0
Total	51	100	30	100	21	100

h. Expected deterioration in your banks capital or liquidity position due to higher interest rates

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	30	58.8	17	56.7	13	61.9
Somewhat important	18	35.3	13	43.3	5	23.8
Very important	3	5.9	0	0.0	3	14.3
Total	51	100	30	100	21	100

i. Expected deterioration in your banks capital or liquidity position due to reasons other than higher interest rates

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	38	76.0	24	80.0	14	70.0
Somewhat important	10	20.0	6	20.0	4	20.0
Very important	2	4.0	0	0.0	2	10.0
Total	50	100	30	100	20	100

B. Possible reasons for expecting to ease lending standards:

a. Expected improvement in customers collateral values

Responses are not reported when the number of respondents is 3 or fewer.

b. Expected increase in competition from other banks or nonbank lenders

Responses are not reported when the number of respondents is 3 or fewer.

c. Expected increase in risk tolerance

Responses are not reported when the number of respondents is 3 or fewer.

d. Expected increase in ease of selling loans in the secondary market

Responses are not reported when the number of respondents is 3 or fewer.

e. Expected improvement in credit quality of loan portfolio

Responses are not reported when the number of respondents is 3 or fewer.

f. Reduced concerns about the adverse effects of legislative changes, supervisory actions, or changes in accounting standards

Responses are not reported when the number of respondents is 3 or fewer.

g. Expected increase in your banks net interest margin

Responses are not reported when the number of respondents is 3 or fewer.

h. Expected improvement in your banks capital or liquidity position due to lower interest rates

Responses are not reported when the number of respondents is 3 or fewer.

i. Expected improvement in your banks capital or liquidity position due to reasons other than lower interest rates

Responses are not reported when the number of respondents is 3 or fewer.

Questions 32-35 *ask how your bank expects* ***demand*** *for select categories of* ***C&I, commercial real estate, residential real estate, and consumer loans*** *from your bank to change over 2023.* ***Question 36*** *asks about the reasons why your bank expects demand from your bank to change.*

32. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect **demand** for the following categories of **C&I loans** from your bank to change over 2023 compared to its current level, apart from normal seasonal variation? (Please refer to the definitions of large and middle-market firms suggested in question 1. If your bank defines firm size differently from the categories suggested in question 1, please use your definitions.)

A. Compared to its current level, over 2023, my bank expects **demand** for **C&I loans or credit lines to large and middle-market firms** from my bank to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Strengthen substantially	0	0.0	0	0.0	0	0.0
Strengthen somewhat	7	11.3	6	18.8	1	3.3
Remain basically unchanged	19	30.6	8	25.0	11	36.7
Weaken somewhat	33	53.2	18	56.2	15	50.0
Weaken substantially	3	4.8	0	0.0	3	10.0
Total	62	100	32	100	30	100

B. Compared to its current level, over 2023, my bank expects **demand** for **C&I loans or credit lines to small firms** from my bank to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Strengthen substantially	0	0.0	0	0.0	0	0.0
Strengthen somewhat	5	8.2	4	12.9	1	3.3
Remain basically unchanged	21	34.4	10	32.3	11	36.7
Weaken somewhat	31	50.8	16	51.6	15	50.0
Weaken substantially	4	6.6	1	3.2	3	10.0
Total	61	100	31	100	30	100

33. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect **demand** for the following categories of **commercial real estate loans** from your bank to change over 2023 compared to its current level, apart from normal seasonal variation?

A. Compared to its current level, over 2023, my bank expects **demand** for **construction and land development loans** or credit lines from my bank to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Strengthen substantially	1	1.6	1	3.0	0	0.0
Strengthen somewhat	2	3.2	2	6.1	0	0.0
Remain basically unchanged	10	15.9	3	9.1	7	23.3
Weaken somewhat	36	57.1	21	63.6	15	50.0
Weaken substantially	14	22.2	6	18.2	8	26.7
Total	63	100	33	100	30	100

B. Compared to its current level, over 2023, my bank expects **demand** for **loans secured by nonfarm nonresidential properties** from my bank to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Strengthen substantially	0	0.0	0	0.0	0	0.0
Strengthen somewhat	2	3.2	2	5.9	0	0.0
Remain basically unchanged	11	17.5	5	14.7	6	20.7
Weaken somewhat	44	69.8	24	70.6	20	69.0
Weaken substantially	6	9.5	3	8.8	3	10.3
Total	63	100	34	100	29	100

C. Compared to its current level, over 2023, my bank expects **demand** for **loans secured by multifamily residential properties** from my bank to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Strengthen substantially	0	0.0	0	0.0	0	0.0
Strengthen somewhat	2	3.2	2	6.1	0	0.0
Remain basically unchanged	20	32.3	11	33.3	9	31.0
Weaken somewhat	35	56.5	18	54.5	17	58.6
Weaken substantially	5	8.1	2	6.1	3	10.3
Total	62	100	33	100	29	100

34. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect **demand** for the following categories of **residential real estate loans** from your bank to change over 2023 compared to its current level, apart from normal seasonal variation?

A. Compared to its current level, over 2023, my bank expects **demand** for **GSE-eligible residential mortgage loans** from my bank to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Strengthen substantially	0	0.0	0	0.0	0	0.0
Strengthen somewhat	2	3.8	1	4.3	1	3.3
Remain basically unchanged	18	34.0	6	26.1	12	40.0
Weaken somewhat	28	52.8	15	65.2	13	43.3
Weaken substantially	5	9.4	1	4.3	4	13.3
Total	53	100	23	100	30	100

B. Compared to its current level, over 2023, my bank expects **demand** for **nonconforming jumbo residential mortgage loans** from my bank to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Strengthen substantially	0	0.0	0	0.0	0	0.0
Strengthen somewhat	1	1.9	1	3.8	0	0.0
Remain basically unchanged	17	31.5	6	23.1	11	39.3
Weaken somewhat	31	57.4	19	73.1	12	42.9
Weaken substantially	5	9.3	0	0.0	5	17.9
Total	54	100	26	100	28	100

35. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect **demand** for the following categories of **consumer loans** from your bank to change over 2023 compared to its current level, apart from normal seasonal variation?

A. Compared to its current level, over 2023, my bank expects **demand** for **credit card loans** from my bank to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Strengthen substantially	0	0.0	0	0.0	0	0.0
Strengthen somewhat	6	14.0	4	16.0	2	11.1
Remain basically unchanged	24	55.8	14	56.0	10	55.6
Weaken somewhat	13	30.2	7	28.0	6	33.3
Weaken substantially	0	0.0	0	0.0	0	0.0
Total	43	100	25	100	18	100

B. Compared to its current level, over 2023, my bank expects **demand** for **auto loans** from my bank to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Strengthen substantially	0	0.0	0	0.0	0	0.0
Strengthen somewhat	4	8.5	2	9.5	2	7.7
Remain basically unchanged	23	48.9	10	47.6	13	50.0
Weaken somewhat	19	40.4	9	42.9	10	38.5
Weaken substantially	1	2.1	0	0.0	1	3.8
Total	47	100	21	100	26	100

36. If your bank expects demand from your bank to change over 2023 compared to its current level and apart from normal seasonal variation for any of the loan categories reported in questions 32-35, how important are the following **possible reasons for the expected change in demand**? (Please respond to either A, B or both as appropriate.)

A. Possible reasons for expecting stronger loan demand:

a. Customers are expected to face higher spending or investment needs due to more favorable or less uncertain income prospects

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	30.8	2	25.0	2	40.0
Somewhat important	9	69.2	6	75.0	3	60.0
Very important	0	0.0	0	0.0	0	0.0
Total	13	100	8	100	5	100

b. Customer precautionary demand for cash and liquidity is expected to increase

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	4	30.8	2	25.0	2	40.0
Somewhat important	8	61.5	5	62.5	3	60.0
Very important	1	7.7	1	12.5	0	0.0
Total	13	100	8	100	5	100

c. Supply chain disruptions are expected to worsen, strengthening loan demand to acquire inventory or make advanced purchases

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	9	75.0	6	85.7	3	60.0
Somewhat important	2	16.7	1	14.3	1	20.0
Very important	1	8.3	0	0.0	1	20.0
Total	12	100	7	100	5	100

d. Supply chain disruptions are expected to ease, strengthening loan demand due to better product availability or lower prices

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	6	50.0	3	42.9	3	60.0
Somewhat important	4	33.3	2	28.6	2	40.0
Very important	2	16.7	2	28.6	0	0.0
Total	12	100	7	100	5	100

e. Interest rates are expected to decline, strengthening loan demand

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	8	61.5	5	62.5	3	60.0
Somewhat important	5	38.5	3	37.5	2	40.0
Very important	0	0.0	0	0.0	0	0.0
Total	13	100	8	100	5	100

f. More favorable terms other than interest rates are expected to increase loan demand

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	11	84.6	6	75.0	5	100.0
Somewhat important	2	15.4	2	25.0	0	0.0
Very important	0	0.0	0	0.0	0	0.0
Total	13	100	8	100	5	100

g. Customer spending or investment needs are expected to increase for reasons not listed above

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	9	69.2	5	62.5	4	80.0
Somewhat important	3	23.1	2	25.0	1	20.0
Very important	1	7.7	1	12.5	0	0.0
Total	13	100	8	100	5	100

h. Customer borrowing is expected to shift to your bank from other bank sources because these other sources become less attractive

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	7	53.8	3	37.5	4	80.0
Somewhat important	6	46.2	5	62.5	1	20.0
Very important	0	0.0	0	0.0	0	0.0
Total	13	100	8	100	5	100

i. Customer borrowing is expected to shift to your bank from other nonbank sources because these other sources become less attractive

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	9	69.2	5	62.5	4	80.0
Somewhat important	4	30.8	3	37.5	1	20.0
Very important	0	0.0	0	0.0	0	0.0
Total	13	100	8	100	5	100

B. Possible reasons for expecting weaker loan demand:

a. Customers are expected to face lower spending or investment needs due to less favorable or more uncertain income prospects

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	6	12.0	3	11.1	3	13.0
Somewhat important	30	60.0	17	63.0	13	56.5
Very important	14	28.0	7	25.9	7	30.4
Total	50	100	27	100	23	100

b. Customer precautionary demand for cash and liquidity is expected to decrease

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	23	46.9	14	53.8	9	39.1
Somewhat important	20	40.8	9	34.6	11	47.8
Very important	6	12.2	3	11.5	3	13.0
Total	49	100	26	100	23	100

c. Supply chain disruptions are expected to ease, weakening loan demand to acquire inventory or make advanced purchases

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	21	42.9	13	48.1	8	36.4
Somewhat important	25	51.0	12	44.4	13	59.1
Very important	3	6.1	2	7.4	1	4.5
Total	49	100	27	100	22	100

d. Supply chain disruptions are expected to worsen, weakening loan demand due to lack of product availability or higher prices

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	34	69.4	19	70.4	15	68.2
Somewhat important	12	24.5	6	22.2	6	27.3
Very important	3	6.1	2	7.4	1	4.5
Total	49	100	27	100	22	100

e. Interest rates are expected to increase, weakening loan demand

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	3	5.7	1	3.4	2	8.3
Somewhat important	25	47.2	16	55.2	9	37.5
Very important	25	47.2	12	41.4	13	54.2
Total	53	100	29	100	24	100

f. Less favorable terms other than interest rates are expected to reduce loan demand

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	16	32.7	10	37.0	6	27.3
Somewhat important	27	55.1	15	55.6	12	54.5
Very important	6	12.2	2	7.4	4	18.2
Total	49	100	27	100	22	100

g. Customer spending or investment needs are expected to decrease for reasons not listed above

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	19	38.8	16	59.3	3	13.6
Somewhat important	24	49.0	8	29.6	16	72.7
Very important	6	12.2	3	11.1	3	13.6
Total	49	100	27	100	22	100

h. Customer borrowing is expected to shift from your bank to other bank sources because these other sources become more attractive

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	42	85.7	24	88.9	18	81.8
Somewhat important	6	12.2	3	11.1	3	13.6
Very important	1	2.0	0	0.0	1	4.5
Total	49	100	27	100	22	100

i. Customer borrowing is expected to shift from your bank to other nonbank sources because these other sources become more attractive

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Not important	36	73.5	18	66.7	18	81.8
Somewhat important	12	24.5	9	33.3	3	13.6
Very important	1	2.0	0	0.0	1	4.5
Total	49	100	27	100	22	100

Questions 37-40 *ask about your bank's expectations for the behavior of loan delinquencies and charge-offs on selected categories of* ***C&I, commercial real estate, residential real estate, and consumer loans*** *in 2023.*

37. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and charge-offs on your bank's **C&I loans** in the following categories in 2023? (Please refer to the definitions of large and middle-market firms and of small firms suggested in question 1. If your bank defines firm size differently from the categories suggested in question 1, please use your definitions.)

A. The quality of my bank's ***syndicated nonleveraged* C&I loans to large and middle-market firms** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	1	1.7	0	0.0	1	3.6
Remain around current levels	35	58.3	17	53.1	18	64.3
Deteriorate somewhat	24	40.0	15	46.9	9	32.1
Deteriorate substantially	0	0.0	0	0.0	0	0.0
Total	60	100	32	100	28	100

B. The quality of my bank's ***syndicated leveraged* C&I loans to large and middle-market firms** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	0	0.0	0	0.0	0	0.0
Remain around current levels	28	47.5	11	35.5	17	60.7
Deteriorate somewhat	30	50.8	19	61.3	11	39.3
Deteriorate substantially	1	1.7	1	3.2	0	0.0
Total	59	100	31	100	28	100

C. The quality of my bank's ***nonsyndicated* C&I loans to large and middle-market firms** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	0	0.0	0	0.0	0	0.0
Remain around current levels	23	37.7	8	25.8	15	50.0
Deteriorate somewhat	38	62.3	23	74.2	15	50.0
Deteriorate substantially	0	0.0	0	0.0	0	0.0
Total	61	100	31	100	30	100

D. The quality of my bank's **C&I loans to small firms** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	0	0.0	0	0.0	0	0.0
Remain around current levels	14	24.1	3	10.7	11	36.7
Deteriorate somewhat	43	74.1	25	89.3	18	60.0
Deteriorate substantially	1	1.7	0	0.0	1	3.3
Total	58	100	28	100	30	100

38. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and charge-offs on your bank's **commercial real estate loans** in the following categories in 2023?

A. The quality of my bank's **construction and land development loans** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	0	0.0	0	0.0	0	0.0
Remain around current levels	27	44.3	13	41.9	14	46.7
Deteriorate somewhat	34	55.7	18	58.1	16	53.3
Deteriorate substantially	0	0.0	0	0.0	0	0.0
Total	61	100	31	100	30	100

B. The quality of my bank's **loans secured by nonfarm nonresidential properties** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	0	0.0	0	0.0	0	0.0
Remain around current levels	25	39.1	9	27.3	16	51.6
Deteriorate somewhat	39	60.9	24	72.7	15	48.4
Deteriorate substantially	0	0.0	0	0.0	0	0.0
Total	64	100	33	100	31	100

C. The quality of my bank's **loans secured by multifamily residential properties** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	1	1.6	1	3.1	0	0.0
Remain around current levels	42	66.7	20	62.5	22	71.0
Deteriorate somewhat	20	31.7	11	34.4	9	29.0
Deteriorate substantially	0	0.0	0	0.0	0	0.0
Total	63	100	32	100	31	100

39. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and charge-offs on your bank's **residential real estate loans** in the following categories in 2023?

A. The quality of my bank's **GSE-eligible residential mortgage loans** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	0	0.0	0	0.0	0	0.0
Remain around current levels	27	49.1	9	34.6	18	62.1
Deteriorate somewhat	28	50.9	17	65.4	11	37.9
Deteriorate substantially	0	0.0	0	0.0	0	0.0
Total	55	100	26	100	29	100

B. The quality of my bank's **nonconforming jumbo residential mortgage loans** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	0	0.0	0	0.0	0	0.0
Remain around current levels	27	48.2	11	39.3	16	57.1
Deteriorate somewhat	29	51.8	17	60.7	12	42.9
Deteriorate substantially	0	0.0	0	0.0	0	0.0
Total	56	100	28	100	28	100

40. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and charge-offs on your bank's **consumer loans** in the following categories in 2023?

A. The quality of my bank's **credit card loans to prime borrowers** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	**Percent**	**Banks**	**Percent**	**Banks**	**Percent**
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	0	0.0	0	0.0	0	0.0
Remain around current levels	28	57.1	12	46.2	16	69.6
Deteriorate somewhat	21	42.9	14	53.8	7	30.4
Deteriorate substantially	0	0.0	0	0.0	0	0.0
Total	49	100	26	100	23	100

B. The quality of my bank's **credit card loans to nonprime borrowers** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	0	0.0	0	0.0	0	0.0
Remain around current levels	21	46.7	10	40.0	11	55.0
Deteriorate somewhat	22	48.9	14	56.0	8	40.0
Deteriorate substantially	2	4.4	1	4.0	1	5.0
Total	45	100	25	100	20	100

C. The quality of my bank's **auto loans to prime borrowers** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	0	0.0	0	0.0	0	0.0
Remain around current levels	29	55.8	10	41.7	19	67.9
Deteriorate somewhat	23	44.2	14	58.3	9	32.1
Deteriorate substantially	0	0.0	0	0.0	0	0.0
Total	52	100	24	100	28	100

D. The quality of my bank's **auto loans to nonprime borrowers** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Improve substantially	0	0.0	0	0.0	0	0.0
Improve somewhat	0	0.0	0	0.0	0	0.0
Remain around current levels	20	44.4	8	36.4	12	52.2
Deteriorate somewhat	23	51.1	13	59.1	10	43.5
Deteriorate substantially	2	4.4	1	4.5	1	4.3
Total	45	100	22	100	23	100

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1. The sample is selected from among the largest banks in each Federal Reserve District. In the table, large banks are defined as those with total domestic assets of $50 billion or more as of September 30, 2022. The combined assets of the 36 large banks totaled $14 trillion, compared to $14.6 trillion for the entire panel of 69 banks, and $20.2 trillion for all domestically chartered, federally insured commercial banks. Return to text

Last Update: February 6, 2023

Table 2

Senior Loan Officer Opinion Survey on Bank Lending Practices at Selected Branches and Agencies of Foreign Banks in the United States [1]

(Status of Policy as of January 2023)

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?

Tightened considerably	1	5.6
Tightened somewhat	5	27.8
Remained basically unchanged	12	66.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	18	100

2. For applications for C&I loans or credit lines - other than those to be used to finance mergers and acquisitions - that your bank currently is willing to approve, how have the terms of those loans changed over the past three months?

a. Maximum size of credit lines

Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	13	86.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	15	100

b. Maximum maturity of loans or credit lines

Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	13	86.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	15	100

c. Costs of credit lines

Tightened considerably	0	0.0
Tightened somewhat	10	62.5
Remained basically unchanged	6	37.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	16	100

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

Tightened considerably	0	0.0
Tightened somewhat	8	50.0
Remained basically unchanged	8	50.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	16	100

e. Premiums charged on riskier loans

Tightened considerably	1	6.7
Tightened somewhat	6	40.0
Remained basically unchanged	7	46.7
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	15	100

f. Loan covenants

Tightened considerably	0	0.0
Tightened somewhat	5	33.3
Remained basically unchanged	10	66.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	15	100

g. Collateralization requirements

Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	13	86.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	15	100

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

Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	13	86.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	15	100

3. If your bank has tightened or eased its credit standards or its terms for C&I loans or credit lines over the past three months (as described in questions 1 and 2), how important have been the following possible reasons for the change? (Please respond to either A, B, or both as appropriate.)

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

a. Deterioration in your bank's current or expected capital position

Not Important	6	85.7
Somewhat Important	1	14.3
Very Important	0	0.0
Total	7	100

All Respondents

b. Less favorable or more uncertain economic outlook

Not Important	0	0.0
Somewhat Important	7	70.0
Very Important	3	30.0
Total	10	100
	All Respondents	

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

Not Important	4	50.0
Somewhat Important	4	50.0
Very Important	0	0.0
Total	8	100
	All Respondents	

d. Less aggressive competition from other banks or nonbank lenders (other financial intermediaries or the capital markets)

Not Important	7	87.5
Somewhat Important	1	12.5
Very Important	0	0.0
Total	8	100
	All Respondents	

e. Reduced tolerance for risk

Not Important	4	44.4
Somewhat Important	4	44.4
Very Important	1	11.1
Total	9	100
	All Respondents	

f. Decreased liquidity in the secondary market for these loans

Not Important	6	66.7
Somewhat Important	3	33.3
Very Important	0	0.0
Total	9	100
	All Respondents	

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

Not Important	7	87.5
Somewhat Important	1	12.5
Very Important	0	0.0
Total	8	100
	All Respondents	

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

Not Important	8	100.0
Somewhat Important	0	0.0
Very Important	0	0.0
Total	8	100
	All Respondents	

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

a. Improvement in your bank's current or expected capital position

Responses are not reported when the number of respondents is 3 or fewer.

b. More favorable or less uncertain economic outlook

Responses are not reported when the number of respondents is 3 or fewer.

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

Responses are not reported when the number of respondents is 3 or fewer.

d. More aggressive competition from other banks or nonbank lenders (other financial intermediaries or the capital markets)

Responses are not reported when the number of respondents is 3 or fewer.

e. Increased tolerance for risk

Responses are not reported when the number of respondents is 3 or fewer.

f. Increased liquidity in the secondary market for these loans

Responses are not reported when the number of respondents is 3 or fewer.

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

Responses are not reported when the number of respondents is 3 or fewer.

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

Responses are not reported when the number of respondents is 3 or fewer.

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.)

Substantially stronger	0	0.0
Moderately stronger	2	11.8
About the same	9	52.9
Moderately weaker	5	29.4
Substantially weaker	1	5.9
Total	17	100

5. If demand for C&I loans has strengthened or weakened over the past three months (as described in question 4), how important have been the following possible reasons for the change? (Please respond to either A, B, or both as appropriate.)

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

a. Customer inventory financing needs increased

Responses are not reported when the number of respondents is 3 or fewer.

b. Customer accounts receivable financing needs increased

Responses are not reported when the number of respondents is 3 or fewer.

c. Customer investment in plant or equipment increased

Responses are not reported when the number of respondents is 3 or fewer.

d. Customer internally generated funds decreased

Responses are not reported when the number of respondents is 3 or fewer.

e. Customer merger or acquisition financing needs increased

Responses are not reported when the number of respondents is 3 or fewer.

f. Customer borrowing shifted to your bank from other bank or nonbank sources because these other sources became less attractive

Responses are not reported when the number of respondents is 3 or fewer.

g. Customer precautionary demand for cash and liquidity increased

Responses are not reported when the number of respondents is 3 or fewer.

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

a. Customer inventory financing needs decreased

Not important	3	60.0
Somewhat important	2	40.0
Very important	0	0.0
Total	5	100
	All Respondents	

b. Customer accounts receivable financing needs decreased

Not important	4	80.0
Somewhat important	1	20.0
Very important	0	0.0
Total	5	100
	All Respondents	

c. Customer investment in plant or equipment decreased

Not important	1	20.0
Somewhat important	4	80.0
Very important	0	0.0
Total	5	100
	All Respondents	

d. Customer internally generated funds increased

Not important	5	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	5	100
	All Respondents	

e. Customer merger or acquisition financing needs decreased

Not important	1	16.7
Somewhat important	4	66.7
Very important	1	16.7
Total	6	100
	All Respondents	

f. Customer borrowing shifted from your bank to other bank or nonbank sources because these other sources became more attractive

Not important	4	80.0
Somewhat important	1	20.0
Very important	0	0.0
Total	5	100
	All Respondents	

g. Customer precautionary demand for cash and liquidity decreased

Not important	4	80.0
Somewhat important	1	20.0
Very important	0	0.0
Total	5	100
	All Respondents	

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.)

The number of inquiries has increased substantially	0	0.0
The number of inquiries has increased moderately	1	5.6
The number of inquiries has stayed about the same	12	66.7
The number of inquiries has decreased moderately	4	22.2
The number of inquiries has decreased substantially	1	5.6
Total	18	100

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?

Tightened considerably	0	0.0
Tightened somewhat	2	15.4
Remained basically unchanged	11	84.6
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	13	100

For this question, 4 respondents answered "My bank does not originate CRE loans."

	All Respondents	
	Banks	**Percent**

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.)

Substantially stronger	0	0.0
Moderately stronger	1	7.7
About the same	10	76.9
Moderately weaker	2	15.4
Substantially weaker	0	0.0
Total	13	100

***Questions 9-10** ask how your bank expects its **lending standards** for select categories of **C&I and commercial real estate loans** to change over 2023. **Question 11** asks about the reasons why your bank expects lending standards to change.*

9. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect its **lending standards** for the following **C&I loan** categories to change over 2023 compared to its current standards, apart from normal seasonal variation?

A. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **C&I loans or credit lines to large and middle-market firms** to:

Tighten considerably	0	0.0
Tighten somewhat	7	38.9
Remain basically unchanged	10	55.6
Ease somewhat	1	5.6
Ease considerably	0	0.0
Total	18	100

B. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **C&I loans or credit lines to small firms** to:

Tighten considerably	0	0.0
Tighten somewhat	4	44.4
Remain basically unchanged	4	44.4
Ease somewhat	1	11.1
Ease considerably	0	0.0
Total	9	100

For this question, 8 respondents answered "My bank does not originate C&I loans or credit lines to small firms"

	All Respondents	
	Banks	**Percent**

10. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect its **lending standards** for the following **commercial real estate loan**

categories to change over 2023 compared to its current standards, apart from normal seasonal variation?

A. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **construction and land development loans** or credit lines to:

	All Respondents	
	Banks	**Percent**
Tighten considerably	0	0.0
Tighten somewhat	3	30.0
Remain basically unchanged	7	70.0
Ease somewhat	0	0.0
Ease considerably	0	0.0
Total	10	100

For this question, 6 respondents answered "My bank does not originate construction and land development loans or credit lines"

B. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **loans secured by nonfarm nonresidential properties** to:

	All Respondents	
	Banks	**Percent**
Tighten considerably	0	0.0
Tighten somewhat	5	41.7
Remain basically unchanged	7	58.3
Ease somewhat	0	0.0
Ease considerably	0	0.0
Total	12	100

For this question, 5 respondents answered "My bank does not originate loans secured by nonfarm nonresidential properties"

C. Compared to my bank's current lending standards, over 2023, my bank expects its **lending standards** for approving applications for **loans secured by multifamily residential properties** to:

	All Respondents	
	Banks	**Percent**
Tighten considerably	0	0.0
Tighten somewhat	4	36.4
Remain basically unchanged	7	63.6
Ease somewhat	0	0.0
Ease considerably	0	0.0
Total	11	100

For this question, 6 respondents answered "My bank does not originate loans secured by multifamily residential properties"

11. If your bank expects to tighten or ease its lending standards for any of the loan categories reported in questions 9-10, how important are the following **possible reasons for the expected change in standards**? (Please respond to either A, B or both as appropriate.)

A. Possible reasons for expecting to tighten lending standards:

a. Expected deterioration in customers collateral values

	All Respondents	
Not important	2	22.2
Somewhat important	6	66.7
Very important	1	11.1
Total	9	100

b. Expected reduction in competition from other banks or nonbank lenders

	All Respondents	
Not important	6	75.0
Somewhat important	1	12.5
Very important	1	12.5
Total	8	100

c. Expected reduction in risk tolerance

	All Respondents	
Not important	2	25.0
Somewhat important	6	75.0
Very important	0	0.0
Total	8	100

d. Expected reduction in ease of selling loans in the secondary market

	All Respondents	
Not important	4	44.4
Somewhat important	5	55.6
Very important	0	0.0
Total	9	100

e. Expected deterioration in credit quality of loan portfolio

	All Respondents	
Not important	4	44.4
Somewhat important	3	33.3
Very important	2	22.2
Total	9	100

f. Increased concerns about the adverse effects of legislative changes, supervisory actions, or changes in accounting standards

Not important	8	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	8	100
	All Respondents	

g. Expected decrease in your banks net interest margin

Not important	8	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	8	100
	All Respondents	

h. Expected deterioration in your banks capital or liquidity position due to higher interest rates

Not important	6	75.0
Somewhat important	2	25.0
Very important	0	0.0
Total	8	100
	All Respondents	

i. Expected deterioration in your banks capital or liquidity position due to reasons other than higher interest rates

Not important	6	75.0
Somewhat important	2	25.0
Very important	0	0.0
Total	8	100
	All Respondents	

B. Possible reasons for expecting to ease lending standards:

a. Expected improvement in customers collateral values

Responses are not reported when the number of respondents is 3 or fewer.

b. Expected increase in competition from other banks or nonbank lenders

Responses are not reported when the number of respondents is 3 or fewer.

c. Expected increase in risk tolerance

Responses are not reported when the number of respondents is 3 or fewer.

d. Expected increase in ease of selling loans in the secondary market

Responses are not reported when the number of respondents is 3 or fewer.

e. Expected improvement in credit quality of loan portfolio

Responses are not reported when the number of respondents is 3 or fewer.

f. Reduced concerns about the adverse effects of legislative changes, supervisory actions, or changes in accounting standards

Responses are not reported when the number of respondents is 3 or fewer.

g. Expected increase in your banks net interest margin

Responses are not reported when the number of respondents is 3 or fewer.

h. Expected improvement in your banks capital or liquidity position due to lower interest rates

Responses are not reported when the number of respondents is 3 or fewer.

i. Expected improvement in your banks capital or liquidity position due to reasons other than lower interest rates

Responses are not reported when the number of respondents is 3 or fewer.

Questions 12-13 *ask how your bank expects* ***demand*** *for select categories of* ***C&I and commercial real estate loans*** *from your bank to change over 2023.* ***Question 14*** *asks about the reasons why your bank expects demand from your bank to change.*

12. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect **demand** for the following categories of **C&I loans** from your bank to

change over 2023 compared to its current level, apart from normal seasonal variation?

A. Compared to its current level, over 2023, my bank expects **demand** for **C&I loans or credit lines to large and middle-market firms** from my bank to:

Strengthen substantially	0	0.0
Strengthen somewhat	5	27.8
Remain basically unchanged	8	44.4
Weaken somewhat	5	27.8
Weaken substantially	0	0.0
Total	18	100

B. Compared to its current level, over 2023, my bank expects **demand** for **C&I loans or credit lines to small firms** from my bank to:

Strengthen substantially	0	0.0
Strengthen somewhat	1	12.5
Remain basically unchanged	5	62.5
Weaken somewhat	2	25.0
Weaken substantially	0	0.0
Total	8	100

13. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect **demand** for the following categories of **commercial real estate loans** from your bank to change over 2023 compared to its current level, apart from normal seasonal variation?

A. Compared to its current level, over 2023, my bank expects **demand** for **construction and land development loans** or credit lines from my bank to:

Strengthen substantially	0	0.0
Strengthen somewhat	1	10.0
Remain basically unchanged	7	70.0
Weaken somewhat	2	20.0
Weaken substantially	0	0.0
Total	10	100

B. Compared to its current level, over 2023, my bank expects **demand** for **loans secured by nonfarm nonresidential properties** from my bank to:

Strengthen substantially	0	0.0
Strengthen somewhat	1	8.3
Remain basically unchanged	9	75.0
Weaken somewhat	2	16.7
Weaken substantially	0	0.0
Total	12	100

C. Compared to its current level, over 2023, my bank expects **demand** for **loans secured by multifamily residential properties** from my bank to:

Strengthen substantially	0	0.0
Strengthen somewhat	1	9.1
Remain basically unchanged	9	81.8
Weaken somewhat	1	9.1
Weaken substantially	0	0.0
Total	11	100

14. If your bank expects demand from your bank to change over 2023 compared to its current level and apart from normal seasonal variation for any of the loan categories reported in questions 12-13, how important are the following **possible reasons for the expected change in demand**? (Please respond to either A, B or both as appropriate.)

A. Possible reasons for expecting stronger loan demand:

a. Customers are expected to face higher spending or investment needs due to more favorable or less uncertain income prospects

Not important	5	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	5	100
	All Respondents	

b. Customer precautionary demand for cash and liquidity is expected to increase

Not important	2	40.0
Somewhat important	3	60.0
Very important	0	0.0
Total	5	100
	All Respondents	

c. Supply chain disruptions are expected to worsen, strengthening loan demand to acquire inventory or make advanced purchases

Not important	2	50.0
Somewhat important	2	50.0
Very important	0	0.0
Total	4	100
	All Respondents	

d. Supply chain disruptions are expected to ease, strengthening loan demand due to better product availability or lower prices

Not important	3	75.0
Somewhat important	1	25.0
Very important	0	0.0
Total	4	100
	All Respondents	

e. Interest rates are expected to decline, strengthening loan demand

Not important	5	83.3
Somewhat important	1	16.7
Very important	0	0.0
Total	6	100
	All Respondents	

f. More favorable terms other than interest rates are expected to increase loan demand

Not important	4	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	4	100
	All Respondents	

g. Customer spending or investment needs are expected to increase for reasons not listed above

Not important	4	66.7
Somewhat important	2	33.3
Very important	0	0.0
Total	6	100
	All Respondents	

h. Customer borrowing is expected to shift to your bank from other bank sources because these other sources become less attractive

	All Respondents	
Not important	4	80.0
Somewhat important	0	0.0
Very important	1	20.0
Total	5	100

i. Customer borrowing is expected to shift to your bank from other nonbank sources because these other sources become less attractive

	All Respondents	
Not important	3	60.0
Somewhat important	1	20.0
Very important	1	20.0
Total	5	100

B. Possible reasons for expecting weaker loan demand:

a. Customers are expected to face lower spending or investment needs due to less favorable or more uncertain income prospects

	All Respondents	
Not important	0	0.0
Somewhat important	5	83.3
Very important	1	16.7
Total	6	100

b. Customer precautionary demand for cash and liquidity is expected to decrease

	All Respondents	
Not important	6	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	6	100

c. Supply chain disruptions are expected to ease, weakening loan demand to acquire inventory or make advanced purchases

Not important	4	66.7
Somewhat important	2	33.3
Very important	0	0.0
Total	6	100

All Respondents

d. Supply chain disruptions are expected to worsen, weakening loan demand due to lack of product availability or higher prices

Not important	6	85.7
Somewhat important	1	14.3
Very important	0	0.0
Total	7	100

All Respondents

e. Interest rates are expected to increase, weakening loan demand

Not important	1	14.3
Somewhat important	3	42.9
Very important	3	42.9
Total	7	100

All Respondents

f. Less favorable terms other than interest rates are expected to reduce loan demand

Not important	2	33.3
Somewhat important	3	50.0
Very important	1	16.7
Total	6	100

All Respondents

g. Customer spending or investment needs are expected to decrease for reasons not listed above

Not important	4	66.7
Somewhat important	2	33.3
Very important	0	0.0
Total	6	100

All Respondents

h. Customer borrowing is expected to shift from your bank to other bank sources because these other sources become more attractive

Not important	5	83.3
Somewhat important	1	16.7
Very important	0	0.0
Total	6	100
	All Respondents	

i. Customer borrowing is expected to shift from your bank to other nonbank sources because these other sources become more attractive

Not important	6	100.0
Somewhat important	0	0.0
Very important	0	0.0
Total	6	100
	All Respondents	

Questions 15-16 *ask about your bank's expectations for the behavior of loan delinquencies and charge-offs on selected categories of* ***C&I and commercial real estate loans*** *in 2023.*

15. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and charge-offs on your bank's **C&I loans** in the following categories in 2023?

A. The quality of my bank's ***syndicated nonleveraged*** **C&I loans to large and middle-market firms** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

Improve substantially	0	0.0
Improve somewhat	0	0.0
Remain around current levels	13	76.5
Deteriorate somewhat	4	23.5
Deteriorate substantially	0	0.0
Total	17	100

B. The quality of my bank's ***syndicated leveraged* C&I loans to large and middle-market firms** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

Improve substantially	0	0.0
Improve somewhat	0	0.0
Remain around current levels	11	64.7
Deteriorate somewhat	6	35.3
Deteriorate substantially	0	0.0
Total	17	100

C. The quality of my bank's ***nonsyndicated* C&I loans to large and middle-market firms** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

Improve substantially	0	0.0
Improve somewhat	0	0.0
Remain around current levels	11	64.7
Deteriorate somewhat	6	35.3
Deteriorate substantially	0	0.0
Total	17	100

D. The quality of my bank's **C&I loans to small firms** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

Improve substantially	0	0.0
Improve somewhat	0	0.0
Remain around current levels	10	83.3
Deteriorate somewhat	2	16.7
Deteriorate substantially	0	0.0
Total	12	100

16. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and charge-offs on your bank's **commercial real estate loans** in the following categories in 2023?

A. The quality of my bank's **construction and land development loans** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents	
	Banks	Percent
Improve substantially	0	0.0
Improve somewhat	0	0.0
Remain around current levels	9	81.8
Deteriorate somewhat	2	18.2
Deteriorate substantially	0	0.0
Total	11	100

B. The quality of my bank's **loans secured by nonfarm nonresidential properties** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents	
	Banks	Percent
Improve substantially	0	0.0
Improve somewhat	0	0.0
Remain around current levels	9	64.3
Deteriorate somewhat	5	35.7
Deteriorate substantially	0	0.0
Total	14	100

C. The quality of my bank's **loans secured by multifamily residential properties** over 2023, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to:

	All Respondents	
	Banks	Percent
Improve substantially	0	0.0
Improve somewhat	0	0.0
Remain around current levels	11	84.6
Deteriorate somewhat	2	15.4
Deteriorate substantially	0	0.0
Total	13	100

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1. As of September 30, 2022, the 18 respondents had combined assets of $1.4 trillion, compared to $3 trillion for all foreign-related banking institutions in the United States. The sample is selected from among the largest foreign-related banking institutions in those Federal Reserve Districts where such institutions are common. Return to text