BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
DIVISION OF MONETARY AFFAIRS
DIVISION OF RESEARCH AND STATISTICS

For release at 2:00 p.m. EDT
October 14, 2010

Senior Credit Officer Opinion Survey on Dealer Financing Terms

September 2010

The September 2010 Senior Credit Officer Opinion Survey on Dealer Financing Terms

Summary

The September 2010 Senior Credit Officer Opinion Survey on Dealer Financing Terms collected qualitative information on changes over the previous three months in credit terms and conditions in securities financing and over-the-counter (OTC) derivatives markets.[1] In addition to the core set of questions, the survey included three sets of special questions. The first set queried respondents about changes in funding conditions in the commercial mortgage-backed securities (CMBS) and commercial real estate (CRE) markets since the beginning of 2010. The second set focused on funding conditions in the collateralized loan obligation (CLO) and bank loan markets. The last set asked dealers to assess overall changes in their clients' appetite to bear risk since the beginning of 2010 and over the past three months. The 20 financial institutions participating in the survey account for almost all of the dealer financing of dollar-denominated securities to nondealers and are the most active intermediaries in OTC derivatives markets. The survey was conducted during the period from August 16, 2010, to September 3, 2010. The core questions ask about changes between June 2010 and August 2010.

Overall, the responses to the September survey indicated an easing in credit terms across counterparty types and for a range of securities financing transactions over the previous three months. Dealers also noted an increase in demand for funding for most types of securities. By contrast, respondents reported little change in the terms and conditions prevalent in OTC derivatives markets over the reference period.[2] In particular:

---

[1] For more information about the survey, see Matthew J. Eichner and Fabio M. Natalucci (2010), "Capturing the Evolution of Dealer Credit Terms Related to Securities Financing and OTC Derivatives: Some Initial Results from the New Senior Credit Officer Opinion Survey on Dealer Financing Terms," Finance and Economic Discussion Series 2010-47 (Washington: Board of Governors of the Federal Reserve System, September), www.federalreserve.gov/pubs/feds/2010/201047/201047pap.pdf.

[2] For questions that ask about credit terms, reported net percentages equal the percentage of institutions that reported tightening terms ("tightened considerably" or "tightened somewhat") minus the percentage of institutions that reported loosening terms ("loosened considerably" or "loosened somewhat"). For questions that ask about demand, reported net fractions equal the percentage of institutions that reported increased demand ("increased considerably" or "increased somewhat") minus the percentage of institutions that reported decreased demand ("decreased considerably" or "decreased somewhat").

- Dealers indicated that they had loosened credit terms offered to each of the distinct classes of counterparties—including hedge funds and other private pools of capital, insurance companies and other institutional investors, and nonfinancial firms—considering all transaction types covered in the survey taken together. Respondents also noted an increase in the intensity of efforts by each class of clients to negotiate more-favorable terms. Modest net fractions of dealers suggested that they expected terms applicable to hedge funds and other similar private pools of capital and to insurance companies and other institutional investors to ease over the coming three months.

- Only a few respondents to the September survey indicated that they had increased the amount of resources and attention devoted to management of concentrated credit exposures to dealers and other financial intermediaries, a notable contrast to results from the June survey in which more than one-half of the respondents reported having done so.

- Responses to questions about OTC derivatives transactions suggested that nonprice terms were little changed across different types of underlying asset classes (underlyings), including those for both “plain vanilla” and customized derivatives.

- With respect to securities financing transactions, respondents reported an easing of terms applicable to the funding of several types of collateral. Dealers also noted that demand for funding for most types of securities had increased, although to a somewhat smaller degree than was reported in the June survey.

- Responses to special questions about funding of CMBS and warehousing of CRE loans for securitization pointed to an easing of conditions and renewed investor interest in these markets since the beginning of 2010. Responses to special questions about funding of CLOs and warehousing of bank loans for securitization suggested similar developments with respect to these assets. Terms on warehouse funding had reportedly eased, on net, since the beginning of 2010.

- Dealer responses to a special question regarding their overall assessments of changes in their clients’ appetite to bear risk since the beginning of the year and over the past three months were generally mixed. However, responses from a subset including only the largest firms, all of which engage in activities spanning the full range of counterparty and transaction types, yield a somewhat different picture. Of this subset, a majority reported a decrease in client risk appetite since the start of the year and over the past three months.

Counterparty Types

(Questions 1-17)

Dealers and other financial intermediaries. The vast majority of the respondents reported that the amount of resources and attention devoted to management of concentrated exposures to dealers and other financial intermediaries had remained basically unchanged over the past three months, with only two institutions pointing to an increased allocation. By contrast, in the June survey, over one-half of the institutions had reported an increase in the resources and attention devoted to management of concentrated credit exposures to these counterparties. Most respondents to the September survey also noted that the volume of mark and collateral disputes with dealers and other financial intermediaries had remained basically unchanged over the previous three months.[3]

Hedge funds, private equity firms, and other similar private pools of capital. As in the June survey, the responses indicated that, across all types of transactions covered in the survey, dealers provided somewhat more-favorable credit terms over the past three months to hedge funds, private equity firms, and other similar private pools of capital (private pools of capital). A small net fraction of the respondents eased price terms, which include, most importantly, financing rates. One-fourth of the institutions reported having eased nonprice terms, which include haircuts, maximum maturity, covenants, cure periods, and other documentation features such as cross-default provisions. The institutions that reported an easing of terms pointed to an improvement in the current or expected financial strength of counterparties, more-aggressive competition from other institutions, and improvement in general market liquidity and functioning as the main reasons for having done so.[4] One-half of the respondents to the September survey noted an increase in the intensity of efforts by private pools of capital to negotiate more-favorable price and nonprice terms over the past three months. Looking forward over the next three months, while most dealers expected price and nonprice terms for private pools of capital to remain about unchanged, a modest net fraction of the respondents indicated that they anticipate somewhat looser terms. This development marks a shift from the results of the previous survey, in which a small net portion of dealers had anticipated somewhat tighter terms.

Insurance companies, pension funds, and other institutional investors. The survey indicated that dealers also provided more-favorable credit terms for institutional investors, a category that includes insurance companies and pension funds. A small net

[3] Mark and collateral disputes refer to disputes about the mark-to-market value of obligations and collateral. During the recent financial crisis, sharp upticks in mark and collateral disputes proved a good leading indicator of stress within the financial system.

[4] An ordinal ranking of reasons for loosening or tightening is produced by adding the number of respondents characterizing each reason as "very important" to the number characterizing the reason as "somewhat important" and then sorting the sums in descending order.

fraction of the respondents reported having eased price terms over the past three months, while one-fourth indicated that they had eased nonprice terms. The most important reasons cited for easing terms were more-aggressive competition from other institutions and improvements in market liquidity and functioning. Nearly one-half of the dealers reported an increase in the intensity of efforts by institutional investors to negotiate more-favorable price and nonprice terms over the past three months. Looking forward over the next three months, one-fourth of the respondents, on net, expected credit terms applicable to institutional investors to ease somewhat. By contrast, in the June survey, the number of dealers that expected terms to ease had been roughly balanced by the number expecting terms to tighten.

Nonfinancial corporations. The responses to questions about credit terms applicable to nonfinancial corporations also pointed to an easing over the past three months. A small portion of the respondents, on balance, indicated that they had eased price terms, while one-fifth noted that they had eased nonprice terms. The three factors that exerted the greatest influence on dealers' lending policies toward nonfinancial corporations over the past three months included more-aggressive competition from other firms, improvements in the current or expected financial strength of counterparties, and improvement in general market liquidity and functioning. About one-third of the respondents indicated that there had been an increase in the intensity of efforts by nonfinancial corporations to negotiate more-favorable price and nonprice terms over the past three months. Looking forward over the next three months, the vast majority of dealers noted that they expected credit terms to remain basically unchanged. In the June survey, by contrast, dealers had anticipated, on balance, a further loosening of the terms in their transactions with nonfinancial corporations.

Over-the-Counter Derivatives

(Questions 18-29)

As in the June survey, responses to questions dealing with OTC derivatives trades pointed to little change over the past three months in the terms for plain vanilla and customized derivatives across the various underlyings—foreign exchange, interest rates, equities, credit, commodities, and total return swaps referencing nonsecurities (such as bank loans that include, for example, commercial and industrial loans and mortgage whole loans). Of note, about one-fifth of the dealers active in OTC foreign exchange derivative markets, on balance, reported an increase in the volume of mark and collateral disputes with clients over the past three months. Small net fractions of the respondents active in OTC interest rate derivatives and OTC equity derivative markets also reported an increase in the volume of such disputes with clients.

Securities Financing
(Questions 30-46)

In the September survey, responses to questions that focused on securities financing pointed to somewhat easier terms under which a broad spectrum of securities had been funded over the past three months.[5] This reported loosening of terms was generally evident for both average clients and most-favored clients. With regard to terms under which high-grade corporate bonds are funded, net shares of survey respondents ranging between about 15 and 35 percent reported a decline in the financing rate; an extension in the maximum maturity; an increase in the maximum amount of funding; and an easing of requirements, timelines, and thresholds for posting additional collateral or margin. With respect to terms under which equities are funded (including through stock loans), net fractions of dealers ranging between about 10 and 20 percent indicated that they had increased the maximum amount of funding, decreased the financing rate, and extended the maximum maturity of funding they would provide. Regarding terms under which agency residential mortgage-backed securities (RMBS) are funded, about 25 percent of the respondents noted that they had lowered the financing rate and around 15 percent had decreased haircuts. Finally, with respect to terms under which asset-backed securities (ABS) other than agency RMBS are funded, net fractions of dealers ranging between about 15 and nearly 40 percent reported a decline in the financing rate, a decrease in haircuts, an easing of covenants and triggers, and an increase in the maximum amount of funding. The general tendency toward an easing of dealer securities-financing practices observed in the September survey contrasts with the results of the previous survey, in which broad patterns regarding changes in terms had been more difficult to discern.

Survey respondents reported that demand for funding for most types of securities had increased over the past three months, although the net fractions of dealers reporting such changes were somewhat smaller than in the June survey. On balance, nearly one-third of the respondents that lend against agency RMBS and about one-fourth of dealers that lend against high-grade corporate bonds and ABS other than agency RMBS reported an increase in demand for funding. By contrast, demand for funding of equities was little changed on net.

Forty percent of the survey respondents indicated that liquidity and functioning in the high-grade corporate bond market had improved somewhat over the past three months.[6] By contrast, the vast majority of dealers reported little change in liquidity and functioning in the agency RMBS market and in other ABS markets.

---

[5] In this survey, securities financing includes lending to clients collateralized by high-grade corporate bonds, equities, agency residential mortgage-backed securities, and other asset-backed securities.

[6] Note that survey respondents are instructed to report changes in liquidity and functioning in the market for the underlying collateral to be funded through repurchase agreements and similar secured financing transactions, not changes in the funding market itself.

The survey respondents generally reported little change in the volume of collateral and mark disputes with clients related to the funding of collateral of all types.

Special Questions about Funding Conditions in the CMBS and CRE Markets
(Questions 48-53)[7]

Responses to special questions about funding of CMBS and warehousing of CRE loans for securitization pointed to an easing of conditions and renewed investor interest in these markets since the beginning of 2010. Among those dealers that provided funding for CMBS over this period, two-thirds reported that they had eased somewhat the terms under which CMBS are funded. Eighty percent of the respondents also indicated that demand for funding of CMBS increased over the same period. About three-fourths of dealers indicated that their willingness to fund CRE loans on an interim basis, through warehouse facilities intended to allow the accumulation of assets for eventual securitization, had increased somewhat since the beginning of 2010. Terms for such funding were unchanged on net. Nearly all respondents reported that demand for funding of CRE loans on an interim basis had increased over the same period. Among dealers with material activity in the CMBS market, three-fourths indicated that liquidity and functioning in that market had improved since the beginning of 2010, with one-fourth of the respondents noting that this improvement had been considerable.

Special Questions about Funding Conditions in the CLO and Bank Loan Markets
(Questions 54-59)

Responses to special questions about funding of CLOs and warehousing of bank loans for securitization suggested that investor interest in these instruments also increased since the beginning of 2010. Nearly one-half of the dealers that provided funding for CLOs over this period reported that demand for such financing increased somewhat, despite the fact that the terms under which CLOs were funded were unchanged, on balance. A similar net fraction of the respondents also indicated that demand for funding of bank loans on an interim basis, through warehouse financing intended to allow for accumulation of assets for eventual securitization, had increased since the beginning of 2010. This increase occurred amid some easing of terms for this interim funding over the same period. Dealers' willingness to fund such loans on an interim basis was unchanged on balance. Among dealers with material activity in the CLO market, the vast majority of the respondents indicated that liquidity and functioning had improved since the beginning of 2010.

[7] Question 47, not discussed here, was optional and allowed respondents to provide additional comments.

Special Questions on Dealers' Overall Assessments of Changes in Their Clients' Appetite to Bear Risk
(Question 60)

Dealer responses regarding their assessments of changes in their clients' appetite to bear risk were generally mixed. Relative to the beginning of 2010, 40 percent of the respondents indicated that their clients' appetite to bear risk had decreased, 35 percent noted that it had remained basically unchanged, and the remaining 25 percent suggested that it had increased somewhat. When considering changes over the past three months, 50 percent of the respondents reported that their clients' appetite to bear risk had remained basically unchanged, 30 percent indicated that it had decreased somewhat, and the remaining 20 percent noted that it had increased somewhat.

When considering only the largest firms (not shown separately in the tables), all of which engage in activities spanning the full range of counterparty and transaction types, most reported a decrease in client risk appetite since the start of the year. Over the past three months, more than one-half of the largest firms indicated that risk appetite "decreased somewhat," while the remaining firms noted that appetite remained "basically unchanged." By contrast, the other financial institutions participating in the survey, which generally engage in activities that do not span multiple counterparty or transaction types, reported a net increase in their clients' appetite to bear risk.

This document was prepared by Mark Carlson, Division of Monetary Affairs, Board of Governors of the Federal Reserve System. Assistance in developing and administering the survey was provided by staff members in the Statistics Function and the Markets Group at the Federal Reserve Bank of New York.

Results of the September 2010 Senior Credit Officer Opinion Survey on Dealer Financing Terms

The following results include the original instructions provided to the survey respondents. Please note that percentages are based on the number of financial institutions that gave responses other than "Not applicable." Components may not add to totals due to rounding.

Counterparty Types

Questions 1 through 17 ask about credit terms applicable to different counterparty types across the entire range of securities financing and over-the-counter derivatives transactions, why these may have changed, and expectations for the future. In some questions, the survey differentiates between the compensation demanded for bearing credit risk (price terms) and the contractual provisions used to mitigate exposures (nonprice terms). Questions 1 and 2 focus on dealers and other financial intermediaries as counterparties; questions 3 through 7 on hedge funds, private equity firms, and other similar private pools of capital; questions 8 through 12 on insurance companies, pension funds, and other institutional investors; and questions 13 through 17 on transactions involving nonfinancial corporations. If your institution's terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies regarding terms as changes in policies. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space. Where material differences exist across different business areas, for example, between traditional prime brokerage and over-the-counter derivatives, please answer with regard to the business area generating the most exposure and explain in the appropriate comment space.

Dealers and Other Financial Intermediaries

1. Over the past three months, how has the amount of resources and attention your firm devotes to management of concentrated credit exposure to other dealers and other financial intermediaries changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	10.0
Remained basically unchanged	18	90.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

2. Over the past three months, how has the volume of mark and collateral disputes with dealers and other financial intermediaries changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	10.0
Remained basically unchanged	16	80.0
Decreased somewhat	2	10.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

Hedge Funds, Private Equity Firms, and Other Similar Private Pools of Capital

3. Over the past three months, how have the price terms (for example, financing rates) offered to hedge funds, private equity firms, and other similar private pools of capital as reflected across the entire spectrum of securities financing and over-the-counter derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent, for example, if financing rates have risen.)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	15	75.0
Eased somewhat	4	20.0
Eased considerably	0	0.0
Total	**20**	**100.0**

4. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions or other documentation features) with respect to hedge funds, private equity firms, and other similar private pools of capital across the entire spectrum of securities financing and over-the-counter derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent, for example, if haircuts have been increased.)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	75.0
Eased somewhat	5	25.0
Eased considerably	0	0.0
Total	**20**	**100.0**

5. To the extent that the price or nonprice terms applied to hedge funds, private equity firms, and other similar private pools of capital have tightened or eased over the past three months (as reflected in your responses to questions 3 and 4), how important have been each of the following possible reasons for the change?

   A. Possible reasons for tightening:

      1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

      2) Reduced willingness of your institution to take on risk

	Number of Respondents	Percent
Very important	1	100.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**1**	**100.0**

      3) Adoption of more stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	1	100.0
Total	**1**	**100.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

5) Diminished availability of balance sheet or capital at your institution

	Number of Respondents	Percent
Very important	1	100.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**1**	**100.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

B. Possible reasons for easing:

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
Very important	2	33.3
Somewhat important	3	50.0
Not important	1	16.7
Total	**6**	**100.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	3	50.0
Not important	3	50.0
Total	**6**	**100.0**

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	Percent
Very important	1	16.7
Somewhat important	1	16.7
Not important	4	66.7
Total	**6**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	16.7
Not important	5	83.3
Total	**6**	**100.0**

5) Increased availability of balance sheet or capital at your institution

	Number of Respondents	Percent
Very important	1	16.7
Somewhat important	1	16.7
Not important	4	66.7
Total	**6**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
Very important	1	16.7
Somewhat important	3	50.0
Not important	2	33.3
Total	**6**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	2	33.3
Somewhat important	3	50.0
Not important	1	16.7
Total	**6**	**100.0**

6. How has the intensity of efforts by hedge funds, private equity firms, and other similar private pools of capital to negotiate more-favorable price and nonprice terms changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	1	5.0
Increased somewhat	9	45.0
Remained basically unchanged	10	50.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

7. Looking forward over the next three months, and assuming that economic activity progresses in line with consensus forecasts, how do you expect the price and nonprice terms under which you transact with hedge funds, private equity firms, and other similar private pools of capital across the entire spectrum of securities financing and over-the-counter derivatives transactions to change?

	Number of Respondents	**Percent**
Price and nonprice terms are likely to tighten considerably	0	0.0
Price and nonprice terms are likely to tighten somewhat	3	15.0
Price and nonprice terms are likely to remain basically unchanged	11	55.0
Price and nonprice terms are likely to ease somewhat	6	30.0
Price and nonprice terms are likely to ease considerably	0	0.0
Total	**20**	**100.0**

Insurance Companies, Pension Funds, and Other Institutional Investors

8. Over the past three months, how have the price terms (for example, financing rates) offered to insurance companies, pension funds, and other institutional investors as reflected across the entire spectrum of securities financing and over-the-counter derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent, for example, if financing rates have risen.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	15	75.0
Eased somewhat	4	20.0
Eased considerably	0	0.0
Total	**20**	**100.0**

9. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions or other documentation features) with respect to insurance companies, pension funds, and other institutional investors across the entire spectrum of securities financing and over-the-counter derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent, for example, if haircuts have been increased.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	75.0
Eased somewhat	5	25.0
Eased considerably	0	0.0
Total	**20**	**100.0**

10. To the extent that the price or nonprice terms applied to insurance companies, pension funds, and other institutional investors have tightened or eased over the past three months (as reflected in your responses to questions 8 and 9), how important have been each of the following possible reasons for the change?

A. Possible reasons for tightening:

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	1	100.0
Total	**1**	**100.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	1	100.0
Total	**1**	**100.0**

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	1	100.0
Total	**1**	**100.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	1	100.0
Total	**1**	**100.0**

5) Diminished availability of balance sheet or capital at your institution

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	1	100.0
Total	**1**	**100.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	1	100.0
Total	**1**	**100.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	1	100.0
Total	**1**	**100.0**

B. Possible reasons for easing:

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
Very important	2	33.3
Somewhat important	1	16.7
Not important	3	50.0
Total	**6**	**100.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
Very important	1	16.7
Somewhat important	2	33.3
Not important	3	50.0
Total	**6**	**100.0**

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	Percent
Very important	1	16.7
Somewhat important	1	16.7
Not important	4	66.7
Total	**6**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	2	33.3
Not important	4	66.7
Total	**6**	**100.0**

5) Increased availability of balance sheet or capital at your institution

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	2	33.3
Not important	4	66.7
Total	**6**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
Very important	1	16.7
Somewhat important	4	66.7
Not important	1	16.7
Total	**6**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	3	50.0
Somewhat important	2	33.3
Not important	1	16.7
Total	**6**	**100.0**

11. How has the intensity of efforts by insurance companies, pension funds, and other institutional investors to negotiate more-favorable price and nonprice terms changed over the past three months?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	9	45.0
Remained basically unchanged	11	55.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

12. Looking forward over the next three months, and assuming that economic activity progresses in line with consensus forecasts, how do you expect the price and nonprice terms under which you transact with insurance companies, pension funds, and other institutional investors across the entire spectrum of securities financing and over-the-counter derivatives transactions to change?

	Number of Respondents	Percent
Price and nonprice terms are likely to tighten considerably	0	0.0
Price and nonprice terms are likely to tighten somewhat	1	5.0
Price and nonprice terms are likely to remain basically unchanged	13	65.0
Price and nonprice terms are likely to ease somewhat	6	30.0
Price and nonprice terms are likely to ease considerably	0	0.0
Total	**20**	**100.0**

Nonfinancial Corporations

13. Over the past three months, how have the price terms (for example, financing rates) offered to nonfinancial corporations as reflected across the entire spectrum of securities financing and over-the-counter derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent, for example, if financing rates have risen.)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	15	75.0
Eased somewhat	4	20.0
Eased considerably	0	0.0
Total	**20**	**100.0**

14. Over the past three months, how has your use of nonprice terms (for example, haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) with respect to nonfinancial corporations across the entire spectrum of securities financing and over-the-counter derivatives transaction types changed, regardless of price terms? (Please indicate tightening if terms have become more stringent, for example if haircuts have been increased.)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	80.0
Eased somewhat	4	20.0
Eased considerably	0	0.0
Total	**20**	**100.0**

15. To the extent that the price or nonprice terms applied to nonfinancial corporations have tightened or eased over the past three months (as reflected in your responses to questions 13 and 14), how important have been each of the following possible reasons for the change?

A. Possible reasons for tightening:

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	Percent
Very important	1	100.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**1**	**100.0**

3) Adoption of more-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	0	0.0
Not important	1	100.0
Total	**1**	**100.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
Very important	1	100.0
Somewhat important	0	0.0
Not important	0	0.0
Total	**1**	**100.0**

5) Diminished availability of balance sheet or capital at your institution

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	100.0
Not important	0	0.0
Total	**1**	**100.0**

B. Possible reasons for easing:

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
Very important	1	20.0
Somewhat important	3	60.0
Not important	1	20.0
Total	**5**	**100.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	**Percent**
Very important	0	0.0
Somewhat important	2	40.0
Not important	3	60.0
Total	**5**	**100.0**

3) Adoption of less-stringent market conventions (that is, collateral terms and agreements, ISDA protocols)

	Number of Respondents	**Percent**
Very important	1	20.0
Somewhat important	1	20.0
Not important	3	60.0
Total	**5**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	20.0
Not important	4	80.0
Total	**5**	**100.0**

5) Increased availability of balance sheet or capital at your institution

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	2	40.0
Not important	3	60.0
Total	**5**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
Very important	1	20.0
Somewhat important	2	40.0
Not important	2	40.0
Total	**5**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	3	60.0
Somewhat important	1	20.0
Not important	1	20.0
Total	**5**	**100.0**

16. How has the intensity of efforts by nonfinancial corporations to negotiate more-favorable price and nonprice terms changed over the past three months?

	Number of Respondents	Percent
Increased considerably	1	5.0
Increased somewhat	5	25.0
Remained basically unchanged	14	70.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

17. Looking forward over the next three months, and assuming that economic activity progresses in line with consensus forecasts, how do you expect the price and nonprice terms under which you transact with nonfinancial corporations across the entire spectrum of securities financing and over-the-counter derivatives transactions to change?

	Number of Respondents	Percent
Price and nonprice terms are likely to tighten considerably	0	0.0
Price and nonprice terms are likely to tighten somewhat	1	5.0
Price and nonprice terms are likely to remain basically unchanged	17	85.0
Price and nonprice terms are likely to ease somewhat	2	10.0
Price and nonprice terms are likely to ease considerably	0	0.0
Total	**20**	**100.0**

Over-the-Counter Derivatives

Questions 18 through 29 ask about over-the-counter derivatives trades. Questions 18 and 19 focus on trades with Foreign Exchange (FX) as the underlying; questions 20 and 21 on trades with interest rates (IR) as the underlying; questions 22 and 23 on trades with equities as the underlying; questions 24 and 25 on trades with debt securities as the underlying (including contracts referencing mortgage-backed securities (MBS) and asset-backed securities (ABS); questions 26 and 27 on trades with commodities as the underlying; and questions 28 and 29 on total return swaps with nonsecurities such as bank debt and whole loans as the underlying. If your institution's terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies regarding terms as changes in terms. Please respond "Not applicable" to questions dealing with business areas in which you do not conduct material activities. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space.

Foreign Exchange

18. Over the past three months, how have nonprice terms associated with over-the-counter FX derivatives changed?

    A. For "vanilla" FX derivatives (that is, derivatives using ISDA short-form confirmations and definitions):

        1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	12	80.0
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

3) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	13	92.9
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate agreements are in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	12	80.0
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	**15**	**100.0**

6) Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	13	86.7
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	**15**	**100.0**

B. For highly customized FX derivatives (that is, derivatives negotiated bilaterally and using long-form confirmations):

1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	13	86.7
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	**15**	**100.0**

3) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate agreements are in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

6) Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	13	86.7
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	**15**	**100.0**

19. Over the past three months, how has the volume of mark and collateral disputes with clients related to FX derivatives changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	28.6
Remained basically unchanged	9	64.3
Decreased somewhat	1	7.1
Decreased considerably	0	0.0
Total	**14**	**100.0**

Interest Rates

20. Over the past three months, how have nonprice terms associated with over-the-counter interest rate derivatives changed?

    A. For “vanilla” IR derivatives (that is, derivatives using ISDA short-form confirmations and definitions):

        1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	11.8
Remained basically unchanged	13	76.5
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

        2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	15	88.2
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

3) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	12.5
Remained basically unchanged	12	75.0
Eased somewhat	2	12.5
Eased considerably	0	0.0
Total	**16**	**100.0**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**17**	**100.0**

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

6) Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	13	76.5
Eased somewhat	3	17.6
Eased considerably	0	0.0
Total	**17**	**100.0**

B. For highly customized IR derivatives (that is, derivatives negotiated bilaterally and using long-form confirmations):

1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	11.8
Remained basically unchanged	14	82.4
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	15	88.2
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

3) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.3
Remained basically unchanged	13	81.3
Eased somewhat	2	12.5
Eased considerably	0	0.0
Total	**16**	**100.0**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**17**	**100.0**

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

6) Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

21. Over the past three months, how has the volume of mark and collateral disputes with clients related to interest rate derivatives changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	18.8
Remained basically unchanged	12	75.0
Decreased somewhat	0	0.0
Decreased considerably	1	6.3
Total	**16**	**100.0**

Equities

22. Over the past three months, how have nonprice terms associated with over-the-counter equity derivatives changed?

    A. For "vanilla" equity derivatives (that is, derivatives using ISDA short-form confirmations and definitions):

        1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

        2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	16	94.1
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**17**	**100.0**

3) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	16	94.1
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**17**	**100.0**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**17**	**100.0**

5) Triggers and covenants

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

6) Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

B. For highly customized equity derivatives (that is, derivatives negotiated bilaterally and using long-form confirmations):

1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.3
Remained basically unchanged	13	81.3
Eased somewhat	2	12.5
Eased considerably	0	0.0
Total	**16**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.3
Remained basically unchanged	15	93.8
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**16**	**100.0**

3) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**16**	**100.0**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**16**	**100.0**

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.3
Remained basically unchanged	13	81.3
Eased somewhat	2	12.5
Eased considerably	0	0.0
Total	**16**	**100.0**

6) Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	6.3
Remained basically unchanged	13	81.3
Eased somewhat	2	12.5
Eased considerably	0	0.0
Total	**16**	**100.0**

23. Over the past three months, how has the volume of mark and collateral disputes with clients related to equity derivatives changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	12.5
Remained basically unchanged	14	87.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**100.0**

Credit

24. Over the past three months, how have nonprice terms associated with over-the-counter credit derivatives referencing debt securities (including contracts referencing mortgage-backed securities (MBS) or asset-backed securities (ABS) changed?

A. For "vanilla" credit derivatives (that is, derivatives using ISDA short-form confirmations and definitions):

1) Initial margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	10	71.4
Eased somewhat	3	21.4
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

3) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	12	80.0
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	**15**	**100.0**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	13	86.7
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	**15**	**100.0**

6) Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	13	86.7
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	**15**	**100.0**

B. For highly customized credit derivatives (that is, derivatives negotiated bilaterally and using long-form confirmations):

1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	12	85.7
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

3) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	13	86.7
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	**15**	**100.0**

6) Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	13	86.7
Eased somewhat	1	6.7
Eased considerably	0	0.0
Total	**15**	**100.0**

25. Over the past three months, how has the volume of mark and collateral disputes with clients related to credit derivatives changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	14.3
Remained basically unchanged	11	78.6
Decreased somewhat	0	0.0
Decreased considerably	1	7.1
Total	**14**	**100.0**

Commodities

26. Over the past three months, how have nonprice terms associated with over-the-counter commodity derivatives changed?

    A. For "vanilla" commodity derivatives (that is, derivatives using ISDA short-form confirmations and definitions):

        1) Initial margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	7.7
Remained basically unchanged	11	84.6
Eased somewhat	1	7.7
Eased considerably	0	0.0
Total	**13**	**100.0**

        2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	12	85.7
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

3) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	12	85.7
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**13**	**100.0**

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	10	71.4
Eased somewhat	3	21.4
Eased considerably	0	0.0
Total	**14**	**100.0**

6) Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	10	71.4
Eased somewhat	3	21.4
Eased considerably	0	0.0
Total	**14**	**100.0**

B. For highly customized commodity derivatives (that is, derivatives negotiated bilaterally and using long-form confirmations):

1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.7
Remained basically unchanged	10	76.9
Eased somewhat	2	15.4
Eased considerably	0	0.0
Total	**13**	**100.0**

2) Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	11	78.6
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	**14**	**100.0**

3) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	12	85.7
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	**14**	**100.0**

4) Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	12	92.3
Eased somewhat	1	7.7
Eased considerably	0	0.0
Total	**13**	**100.0**

5) Triggers and covenants

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	14.3
Remained basically unchanged	9	64.3
Eased somewhat	3	21.4
Eased considerably	0	0.0
Total	**14**	**100.0**

6) Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	14.3
Remained basically unchanged	9	64.3
Eased somewhat	3	21.4
Eased considerably	0	0.0
Total	**14**	**100.0**

27. Over the past three months, how has the volume of mark and collateral disputes with clients related to commodity derivatives changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	7.7
Remained basically unchanged	12	92.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**13**	**100.0**

Total Return Swaps Referencing Nonsecurities (Such as Bank Debt and Whole Loans)

28. Over the past three months, how have nonprice terms associated with total return swaps referencing nonsecurities (such as bank debt and whole loans) changed?

A. Range of acceptable reference assets (for example, requirements with regard to credit quality and liquidity)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	11.1
Remained basically unchanged	8	88.9
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**9**	**100.0**

B. Initial margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	22.2
Remained basically unchanged	4	44.4
Eased somewhat	3	33.3
Eased considerably	0	0.0
Total	**9**	**100.0**

C. Requirements, timelines, and thresholds for posting additional margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	11.1
Remained basically unchanged	8	88.9
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**9**	**100.0**

D. Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	11.1
Remained basically unchanged	7	77.8
Eased somewhat	1	11.1
Eased considerably	0	0.0
Total	**9**	**100.0**

E. Recognition of portfolio or diversification benefits (including from securities financing trades where appropriate documentation is in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	9	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**9**	**100.0**

F. Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	11.1
Remained basically unchanged	7	77.8
Eased somewhat	1	11.1
Eased considerably	0	0.0
Total	**9**	**100.0**

G. Other documentation features (including cure periods and cross-default provisions)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	11.1
Remained basically unchanged	7	77.8
Eased somewhat	1	11.1
Eased considerably	0	0.0
Total	**9**	**100.0**

29. Over the past three months, how has the volume of mark and collateral disputes with clients related to total return swaps referencing nonsecurities changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	8	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**8**	**100.0**

Securities Financing

Questions 30 through 46 ask about securities funding at your institution—that is, lending to clients collateralized by securities. Such activities may be conducted on a "repo" desk, on a trading desk engaged in facilitation for institutional clients and/or proprietary transactions, on a funding desk, or on a prime brokerage platform. Questions 30 through 34 focus on lending against high-grade corporate bonds; questions 35 and 36 on lending against equities (including through stock loan); questions 37 through 41 on lending against agency residential mortgage-backed securities (RMBS); and questions 42 through 46 on lending against other ABS. If your institution's terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies regarding terms as changes in terms. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in the appropriate comment space.

High-Grade Corporate Bonds

30. Over the past three months, how have the terms under which high-grade corporate bonds are funded changed?

    A. Terms for average clients:

    1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	12	80.0
Eased somewhat	3	20.0
Eased considerably	0	0.0
Total	**15**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	73.3
Eased somewhat	4	26.7
Eased considerably	0	0.0
Total	**15**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	12	80.0
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	8	53.3
Eased somewhat	6	40.0
Eased considerably	0	0.0
Total	**15**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	86.7
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	92.9
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

7) Covenants and triggers

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	12	92.3
Eased somewhat	1	7.7
Eased considerably	0	0.0
Total	**13**	**100.0**

B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship:

1) Maximum amount of funding

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	11	73.3
Eased somewhat	3	20.0
Eased considerably	0	0.0
Total	**15**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	73.3
Eased somewhat	4	26.7
Eased considerably	0	0.0
Total	**15**	**100.0**

3) Haircuts

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	11	73.3
Eased somewhat	3	20.0
Eased considerably	0	0.0
Total	**15**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	7	46.7
Eased somewhat	6	40.0
Eased considerably	0	0.0
Total	**15**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	86.7
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.1
Remained basically unchanged	12	85.7
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

7) Covenants and triggers

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	92.9
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

31. In some cases, an institution provides financing on more-favorable terms when it has played a role in bringing the issue being financed to market, for example, as an underwriter. Over the past three months, how has the amount of such “vendor financing” provided for high-grade corporate bonds by your institution changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	7.7
Remained basically unchanged	12	92.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**13**	**100.0**

32. Over the past three months, how has demand for funding of high-grade corporate bonds by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	5	33.3
Remained basically unchanged	9	60.0
Decreased somewhat	1	6.7
Decreased considerably	0	0.0
Total	**15**	**100.0**

33. Over the past three months, how has the volume of mark and collateral disputes with clients related to the funding of high-grade corporate bonds changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	12	85.7
Decreased somewhat	2	14.3
Decreased considerably	0	0.0
Total	**14**	**100.0**

34. Over the past three months, how have liquidity and functioning in the high-grade corporate bond market changed?

	Number of Respondents	**Percent**
Improved considerably	0	0.0
Improved somewhat	6	40.0
Remained basically unchanged	9	60.0
Deteriorated somewhat	0	0.0
Deteriorated considerably	0	0.0
Total	**15**	**100.0**

Equities (Including through Stock Loan)

35. Over the past three months, how have the terms under which equities are funded (including through stock loan) changed?

    A. Terms for average clients:

    1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	78.9
Eased somewhat	4	21.1
Eased considerably	0	0.0
Total	**19**	**100.0**

    2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	89.5
Eased somewhat	2	10.5
Eased considerably	0	0.0
Total	**19**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.3
Remained basically unchanged	18	94.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**19**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	78.9
Eased somewhat	4	21.1
Eased considerably	0	0.0
Total	**19**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	18	94.7
Eased somewhat	1	5.3
Eased considerably	0	0.0
Total	**19**	**100.0**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	16	94.1
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**17**	**100.0**

7) Covenants and triggers

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	94.1
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

B. Terms for most favored clients, as a consequence of breadth, duration, and/or extent of relationship:

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	1	5.3
Tightened somewhat	0	0.0
Remained basically unchanged	14	73.7
Eased somewhat	4	21.1
Eased considerably	0	0.0
Total	**19**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	78.9
Eased somewhat	4	21.1
Eased considerably	0	0.0
Total	**19**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	18	94.7
Eased somewhat	1	5.3
Eased considerably	0	0.0
Total	**19**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.3
Remained basically unchanged	14	73.7
Eased somewhat	4	21.1
Eased considerably	0	0.0
Total	**19**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**19**	**100.0**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**17**	**100.0**

7) Covenants and triggers

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	93.8
Eased somewhat	1	6.3
Eased considerably	0	0.0
Total	**16**	**100.0**

36. Over the past three months, how has demand for funding of equities (including through stock loan) by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	21.1
Remained basically unchanged	12	63.2
Decreased somewhat	3	15.8
Decreased considerably	0	0.0
Total	**19**	**100.0**

Agency Residential Mortgage-Backed Securities

37. Over the past three months, how have the terms under which agency RMBS are funded changed?

A. Terms for average clients:

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.9
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	94.1
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

3) Haircuts

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	88.2
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

4) Financing rate

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	76.5
Eased somewhat	4	23.5
Eased considerably	0	0.0
Total	**17**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	94.1
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**16**	**100.0**

7) Covenants and triggers

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

B. Terms for most favored clients, as a consequence of breadth, duration, and/or extent of relationship:

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	1	5.9
Tightened somewhat	0	0.0
Remained basically unchanged	14	82.4
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	88.2
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	82.4
Eased somewhat	3	17.6
Eased considerably	0	0.0
Total	**17**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	13	76.5
Eased somewhat	4	23.5
Eased considerably	0	0.0
Total	**17**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	94.1
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**16**	**100.0**

7) Covenants and triggers

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	15	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

38. In some cases, an institution provides financing on more-favorable terms when it has played a role in bringing the issue being financed to market, for example, as an underwriter. Over the past three months, how has the amount of such "vendor financing" provided by your institution for agency RMBS changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	6.7
Remained basically unchanged	14	93.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**15**	**100.0**

39. Over the past three months, how has demand for funding of agency RMBS by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	5	29.4
Remained basically unchanged	12	70.6
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**17**	**100.0**

40. Over the past three months, how has the volume of mark and collateral disputes with clients related to the funding of agency RMBS changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	6.3
Remained basically unchanged	14	87.5
Decreased somewhat	1	6.3
Decreased considerably	0	0.0
Total	**16**	**100.0**

41. Over the past three months, how have liquidity and functioning in the agency RMBS market changed?

	Number of Respondents	**Percent**
Improved considerably	0	0.0
Improved somewhat	3	17.6
Remained basically unchanged	13	76.5
Deteriorated somewhat	1	5.9
Deteriorated considerably	0	0.0
Total	**17**	**100.0**

Other Asset-Backed Securities

42. Over the past three months, how have the terms under which ABS other than agency RMBS (referred to below as “other ABS”) are funded changed? Where material differences exist across different types of such ABS, for example, between non-agency RMBS and consumer ABS, please answer with regard to the type of instrument generating the most exposure and explain in the comment space provided.

    A. Terms for average clients:

        1) Maximum amount of funding

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	84.6
Eased somewhat	2	15.4
Eased considerably	0	0.0
Total	**13**	**100.0**

        2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	7.7
Remained basically unchanged	10	76.9
Eased somewhat	2	15.4
Eased considerably	0	0.0
Total	**13**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	9	69.2
Eased somewhat	4	30.8
Eased considerably	0	0.0
Total	**13**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	9	69.2
Eased somewhat	4	30.8
Eased considerably	0	0.0
Total	**13**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	91.7
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	91.7
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

7) Covenants and triggers

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	9	75.0
Eased somewhat	3	25.0
Eased considerably	0	0.0
Total	**12**	**100.0**

B. Terms for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship:

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	7.7
Remained basically unchanged	9	69.2
Eased somewhat	3	23.1
Eased considerably	0	0.0
Total	**13**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	10	76.9
Eased somewhat	3	23.1
Eased considerably	0	0.0
Total	**13**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	9	69.2
Remained basically unchanged	4	30.8
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**13**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	8	61.5
Eased somewhat	5	38.5
Eased considerably	0	0.0
Total	**13**	**100.0**

5) Requirements, timelines, and thresholds for posting additional collateral or margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	12	92.3
Eased somewhat	1	7.7
Eased considerably	0	0.0
Total	**13**	**100.0**

6) Recognition of portfolio or diversification benefits (including with OTC derivatives where appropriate agreements are in place)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	91.7
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

7) Covenants and triggers

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	9	75.0
Eased somewhat	3	25.0
Eased considerably	0	0.0
Total	**12**	**100.0**

43. In some cases, an institution provides financing on more-favorable terms when it has played a role in bringing the issue being financed to market, for example, as an underwriter. Over the past three months, how has the amount of such "vendor financing" provided for other ABS by your institution changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	15.4
Remained basically unchanged	11	84.6
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**13**	**100.0**

44. Over the past three months, how has demand for funding of other ABS positions by your institution's clients changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	3	23.1
Remained basically unchanged	10	76.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**13**	**100.0**

45. Over the past three months, how has the volume of mark and collateral disputes with clients related to the funding of other ABS changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	8.3
Remained basically unchanged	10	83.3
Decreased somewhat	1	8.3
Decreased considerably	0	0.0
Total	**12**	**100.0**

46. Over the past three months, how have liquidity and functioning in the other ABS market changed?

	Number of Respondents	**Percent**
Improved considerably	1	7.7
Improved somewhat	2	15.4
Remained basically unchanged	9	69.2
Deteriorated somewhat	1	7.7
Deteriorated considerably	0	0.0
Total	**13**	**100.0**

Optional Question

Question 47 requests feedback on any other issues you judge to be important relating to credit terms applicable to securities financing transactions and over-the-counter derivatives contracts.[8]

[8] See note 7 in the Summary.

Special Questions

The following special questions are intended to provide better context for interpreting the core set of questions appearing above, which focus on changes in credit terms over the preceding three months. Unlike the core questions, these special questions will not be included in the survey on an ongoing basis.

Funding of Commercial Mortgage-Backed Securities (CMBS) and Commercial Real Estate (CRE) Loans

48. Since the beginning of 2010, how have the terms under which CMBS are funded at your institution changed?

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	3	33.3
Eased somewhat	6	66.7
Eased considerably	0	0.0
Total	**9**	**100.0**

49. Since the beginning of 2010, how has demand for funding of CMBS by your institution's clients changed?

	Number of Respondents	**Percent**
Increased considerably	1	10.0
Increased somewhat	7	70.0
Remained basically unchanged	2	20.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**10**	**100.0**

50. Since the beginning of 2010, how have the terms under which CRE loans are funded on an interim basis at your institution, through warehouse financing and similar secured facilities intended to allow the accumulation of assets for eventual securitization, changed?

	Number of Respondents	**Percent**
Tightened considerably	1	12.5
Tightened somewhat	1	12.5
Remained basically unchanged	4	50.0
Eased somewhat	2	25.0
Eased considerably	0	0.0
Total	**8**	**100.0**

51. How has your institution's willingness to fund CRE loans on an interim basis at prevailing market rates and under prevailing market terms, through warehouse financing and similar secured facilities intended to allow the accumulation of assets for eventual securitization, changed since the beginning of 2010? Willingness to expand your book of business in this area may stem from a formal analysis considering a required return on the risk capital employed, or from a more subjective assessment of the attractiveness of the risk-adjusted return from this activity.

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	7	77.8
Remained basically unchanged	2	22.2
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**9**	**100.0**

52. Since the beginning of 2010, how has demand by your institution's clients for funding of CRE loans on an interim basis, through warehouse financing and similar secured facilities intended to allow the accumulation of assets for eventual securitization, changed?

	Number of Respondents	**Percent**
Increased considerably	1	11.1
Increased somewhat	7	77.8
Remained basically unchanged	1	11.1
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**9**	**100.0**

53. Since the beginning of 2010, how has liquidity and functioning in the CMBS market changed?

	Number of Respondents	**Percent**
Tightened considerably	3	25.0
Tightened somewhat	6	50.0
Remained basically unchanged	3	25.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**12**	**100.0**

Funding of Collateralized Loans Obligations (CLOs) and Bank Loans

54. Since the beginning of 2010, how have the terms under which CLOs are funded at your institution changed?

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	14.3
Remained basically unchanged	5	71.4
Eased somewhat	1	14.3
Eased considerably	0	0.0
Total	**7**	**100.0**

55. Since the beginning of 2010, how has demand for funding of CLOs by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	57.1
Remained basically unchanged	2	28.6
Decreased somewhat	1	14.3
Decreased considerably	0	0.0
Total	**7**	**100.0**

56. Since the beginning of 2010, how have the terms under which bank loans are funded on an interim basis at your institution, through warehouse financing and similar secured facilities intended to allow the accumulation of assets for eventual securitization, changed?

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	4	66.7
Eased somewhat	1	16.7
Eased considerably	1	16.7
Total	**6**	**100.0**

57. How has your institution's willingness to fund bank loans on an interim basis at prevailing market rates and under prevailing market terms, through warehouse financing and similar secured facilities intended to allow the accumulation of assets for eventual securitization, changed since the beginning of 2010? Willingness to expand your book of business in this area may stem from a formal analysis considering a required return on the risk capital employed, or from a more subjective assessment of the attractiveness of the risk-adjusted return from this activity.

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	33.3
Remained basically unchanged	2	33.3
Decreased somewhat	2	33.3
Decreased considerably	0	0.0
Total	**6**	**100.0**

58. Since the beginning of 2010, how has demand by your institution's clients for funding of bank loans on an interim basis, through warehouse financing and similar secured facilities intended to allow the accumulation of assets for eventual securitization, changed?

	Number of Respondents	**Percent**
Increased considerably	1	14.3
Increased somewhat	3	42.9
Remained basically unchanged	2	28.6
Decreased somewhat	1	14.3
Decreased considerably	0	0.0
Total	**7**	**100.0**

59. Since the beginning of 2010, how has liquidity and functioning in the CLOs market changed?

	Number of Respondents	Percent
Tightened considerably	2	25.0
Tightened somewhat	5	62.5
Remained basically unchanged	1	12.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**8**	**100.0**

Evolution of Client Risk Appetite

60. How has your overall assessment of your clients' appetite to bear risk changed, considering activities across all client and transaction types that involve current or potential credit risk exposure for your firm?

    A. Relative to the beginning of 2010, your clients' appetite to bear risk has:

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	5	25.0
Remained basically unchanged	7	35.0
Decreased somewhat	7	35.0
Decreased considerably	1	5.0
Total	**20**	**100.0**

B. Over the past three months, your clients' appetite to bear risk has:

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	20.0
Remained basically unchanged	10	50.0
Decreased somewhat	6	30.0
Decreased considerably	0	0.0
Total	**20**	**100.0**