BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
DIVISION OF MONETARY AFFAIRS
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Senior Credit Officer Opinion Survey on Dealer Financing Terms

December 2012

The December 2012 Senior Credit Officer Opinion Survey on Dealer Financing Terms

Summary

The December 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. In addition to the core set of questions, this survey included two sets of special questions. The first one asked about transaction volumes and interest in collateral transformation trades, which entail the lending of securities collateralized with other securities. The second concerned prospects for changes in cash management strategies upon the expiration at the end of this year of the provision in the Dodd–Frank Wall Street Reform and Consumer Protection Act that extended unlimited deposit insurance on noninterest-bearing transaction accounts. The 22 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 November 13, 2012, to November 26, 2012. The core questions ask about changes between September 2012 and November 2012.[1]

Responses to the December survey generally suggested little change in the credit terms applicable to important classes of counterparties covered by the survey over the past three months. The use of financial leverage by important classes of counterparties was reported to have remained basically unchanged as well. As in previous surveys, respondents indicated that most nonprice terms incorporated in new or renegotiated OTC derivatives master agreements were broadly unchanged, on balance, during the past three months. Dealers also reported that initial margin requirements, which fall outside the scope of the master agreements, were generally little changed. However, the results of the survey offered several insights regarding recent developments and current areas of

[1] 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 easing terms ("eased considerably" or "eased 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").

focus in dealer-intermediated markets:

- Continuing a trend observed in previous surveys, a large net fraction of respondents reported an increase in the amount of resources and attention devoted to management of concentrated exposures to central counterparties and other financial market utilities; a smaller net share pointed to an increase in the amount of resources and attention devoted to management of exposures to dealers and other financial intermediaries.

- While the terms applicable to the funding of the various types of securities covered in the survey were reported to have generally changed little over the past three months, an uptick in demand for financing was evident. Almost one-third of dealers reported increased demand for funding of agency residential mortgage-backed securities (RMBS). In addition, modest net fractions of respondents indicated increased demand for term funding (that is, funding with a maturity of 30 days or more) of agency and non-agency RMBS, commercial mortgage-backed securities (CMBS), and consumer asset-backed securities (ABS).

- Nearly one-third of respondents noted that the liquidity and functioning of the underlying markets for non-agency RMBS and CMBS had improved somewhat during the previous three months.

- In response to a set of special questions on collateral transformation trades, small to moderate fractions of dealers reported some current activity with most of the client types covered in the survey. However, for all client types, a greater share of dealers indicated having frequent or at least some discussion with clients regarding prospective transactions involving collateral transformation. Respondents reported that the volume of collateral transformation trades had remained basically unchanged since the start of the year.

- In response to the second set of special questions on potential changes in cash management strategies upon the expiration at the end of 2012 of the Federal Deposit Insurance Corporation’s (FDIC) unlimited guarantee on noninterest-bearing transaction accounts, four-fifths of respondents indicated that their own institutions are unlikely to reduce the volume of deposits held at commercial banks. However, dealers expected their clients to be more responsive to the expiration of the unlimited guarantee. Large fractions of dealers noted that they expected moderate or limited reduction in their clients’ holdings of commercial bank deposits, while a few dealers expected a reallocation of balances across banking institutions. The clients who respondents anticipated would reduce deposits held at commercial banks were expected to increase their use of repurchase agreements, money market funds, and Treasury bills and other government securities.

Counterparty Types

(Questions 1–40)

Dealers and other financial intermediaries. In the December survey, about one-fourth of respondents indicated that they had increased the amount of resources and attention devoted to management of concentrated exposures to dealers and other financial intermediaries over the past three months. (See the exhibit "Management of Concentrated Credit Exposures and Indicators of Supply of Credit.") The fraction of dealers reporting an increase in the amount of resources and attention devoted to management of concentrated exposures to dealers and other financial intermediaries has declined gradually since the June survey.

Central counterparties and other financial utilities. About two-thirds of dealers indicated that they had increased the amount of resources and attention devoted to management of concentrated credit exposure to central counterparties and other financial utilities over the past three months, roughly the same share as in previous surveys. About one-fourth of all of the respondents indicated that changes in the practices of central counterparties, including changes in margin requirements and haircuts, had influenced to some extent the credit terms the dealer applied to clients on bilateral transactions that are not cleared.

Hedge funds. As in the September survey, respondents to the December survey indicated that both price terms (such as financing rates) and nonprice terms (including haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) offered to hedge funds for securities financing and OTC derivatives transactions had remained basically unchanged over the past three months. Almost one-fifth of dealers noted that there had been an increase in the intensity of efforts by hedge funds to negotiate more-favorable price and nonprice terms over the same period, a slight decline relative to previous surveys. Respondents indicated that the current use of leverage had changed little, on net, over the past three months. (See the exhibit "Use of Financial Leverage.") Respondents also indicated that the availability of additional leverage under agreements currently in place had remained basically unchanged, although a few dealers pointed to an increase.

Trading real estate investment trusts. Most respondents to the December survey reported that price and nonprice terms offered to trading real estate investment trusts (REITs) had remained broadly unchanged over the past three months.[2] A few dealers indicated that price terms had tightened somewhat, for which diminished availability of dealer balance sheet or capital was the most cited reason. More than four-fifths of respondents reported that the use of financial leverage by trading REITs had remained broadly unchanged, while the remainder reported that the use of leverage had increased somewhat. Respondents indicated that both the intensity of efforts by trading REITs to

[2] Trading REITs invest in assets backed by real estate rather than directly in real estate.

negotiate more-favorable price and nonprice terms and the provision of differential terms to most-favored clients were broadly unchanged.

Mutual funds, exchange-traded funds, pension plans, and endowments. Respondents to the December survey indicated that both price and nonprice terms offered to mutual funds, exchange-traded funds (ETFs), pension plans, and endowments had remained essentially unchanged over the past three months. Provision of differential terms to most-favored clients and the intensity of effort by clients to negotiate more-favorable terms were also reported to be little changed, as was the use of financial leverage.

Insurance companies. As in the previous survey, respondents to the December survey indicated that both price and nonprice terms offered to insurance companies had changed little over the past three months, as had the provision of differential terms to most-favored clients. The use of financial leverage by insurance companies also remained unchanged. A few respondents reported an increase in the intensity of efforts by insurance companies to negotiate more-favorable price and nonprice terms.

Separately managed accounts established with investment advisers. As in the previous survey, nearly all of the dealers reported in the December survey that price and nonprice terms negotiated by investment advisers on behalf of separately managed accounts were basically unchanged over the past three months. Provision of differential terms to most-favored clients and the intensity of effort by clients to negotiate more-favorable terms were also reported to be little changed. Finally, the use of financial leverage by investment advisers remained basically unchanged.

Nonfinancial corporations. Respondents to the December survey indicated that both price and nonprice terms offered to nonfinancial corporations had remained essentially unchanged over the past three months. A few respondents reported an increase in the intensity of efforts by nonfinancial corporations to negotiate more-favorable price and nonprice terms.

Mark and collateral disputes. As in previous surveys, a large majority of respondents in December indicated that the volume, persistence, and duration of mark and collateral disputes with each counterparty type included in the survey were little changed over the past three months. A few respondents reported that the volume of disputes with dealers and other financial intermediaries had decreased somewhat over the same period.

Over-the-Counter Derivatives

(Questions 41–51)

As in previous surveys, nonprice terms incorporated in new or renegotiated OTC derivatives master agreements were reported to be broadly unchanged, on net, over the past three months.[3] A few dealers indicated that requirements, timelines, and thresholds for posting additional margin had tightened somewhat. For all of the contract types included in the survey, nearly all of the dealers indicated that initial margins (which fall outside the scope of master agreements) were little changed over the past three months. Posting of nonstandard collateral (that is, collateral other than cash and U.S. Treasury securities) also remained basically unchanged on balance. For most contract types included in the survey, respondents indicated that the volume, duration, and persistence of mark and collateral disputes remained basically unchanged, on net, over the past three months. However, one-fifth of respondents reported that the volume of mark and collateral disputes had decreased for contracts referencing interest rates.

Securities Financing

(Questions 52–79)[4]

As in previous surveys, dealers reported that the credit terms under which most types of securities included in the survey are financed were little changed, on balance, over the past three months. The only exception was equities, for which a few survey respondents indicated that they had increased the maximum amount of funding for their clients.

For all securities types, the majority of dealers reported that demand for funding was broadly unchanged over the past three months. (See the exhibit “Measures of Demand for Funding and Market Functioning.”) However, moderate net fractions of respondents noted an increase in demand for funding of securitized products. In particular, almost one-third of dealers reported increased demand for funding of agency RMBS. In addition, fractions of respondents ranging between one-fifth and one-fourth pointed to increased demand for term funding (not shown separately)—that is, funding with a maturity of 30 days or more—for agency RMBS, non-agency RMBS, CMBS, and consumer ABS.

Nearly one-third of respondents indicated that the liquidity and functioning of the underlying markets for non-agency RMBS and CMBS had improved somewhat during the previous three months.[5] For other collateral types covered in the survey, liquidity and functioning of the underlying markets were generally characterized as little changed on net. All of the respondents indicated that the volume, duration, and persistence of market

[3] The survey asks specifically about requirements for posting additional margin, acceptable collateral, recognition of portfolio or diversification benefits, triggers and covenants, and other documentation features, including cure periods and cross-default provisions.

[4] Question 80, not discussed here, was optional and allowed respondents to provide additional comments.

[5] 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. This question is not asked with respect to equity markets in the core questions.

and collateral disputes were basically unchanged for all of the collateral types. These results are similar to those in the September survey.

Special Questions on Collateral Transformation Trades

(Questions 81–84)

Market commentary suggests that investors are increasingly interested in collateral transformation trades, which entail the lending of securities collateralized with other securities. Such transactions may be used by certain market participants to obtain higher-quality collateral—for example, to post pursuant to OTC derivatives transactions with dealers and central counterparties. For their part, lenders of the high-quality collateral may seek returns associated with effectively providing financing for higher-risk securities. A set of special questions queried dealers about the change in the volume of such transactions relative to the beginning of 2012 as well as the current level of interest in collateral transformation across various client types.

Relative to the beginning of 2012, dealers indicated that the volume of collateral transformation transactions through which clients source and provide pristine collateral had remained basically unchanged on net.

With regard to the level of interest in trades that allow clients to *source* pristine collateral, roughly one-fourth of survey respondents reported some current activity on the part of dealers and other financial intermediaries, mutual funds and ETFs, pension plans and endowments, and insurance companies. (See the exhibit "Collateral Transformation Transactions.") Despite the lack of significant current activity, between about one-third and two-thirds of respondents reported frequent or at least some discussion of prospective transactions with all client types covered in the survey.

With regard to the level of interest in collateral transformation transactions that allow clients to *provide* pristine collateral, roughly one-fifth of survey respondents reported some current activity on the part of dealers and other financial intermediaries, pension plans and endowments, and insurance companies. Between about one-fourth and one-half of respondents pointed to frequent or at least some discussion of prospective transactions with all client types covered in the survey.

Overall, the clients reported to be most likely to be either currently active in collateral transformation transactions or engaged in discussions on prospective transactions are dealers and other financial intermediaries, hedge funds, insurance companies, and pension funds and endowments. Of note, hedge funds and insurance companies are seen as more likely to be engaged in discussions about sourcing pristine collateral. For other client types, reported levels of interest appear more balanced between sourcing and providing pristine collateral.

Special Question on Expiration of the Federal Deposit Insurance Corporation's Unlimited Guarantee on Transaction Accounts
(Questions 85–88)

The FDIC's unlimited guarantee on noninterest-bearing transaction accounts is scheduled to expire at the end of 2012.[6] Its expiration raises the prospect that some market participants will adjust their cash management strategies. A second set of special questions asked about the likely changes in strategies by the respondent's institution as well as the likely response of the respondent's clients. In particular, respondents were queried about the likelihood of reductions in the amount of deposits held at commercial banking institutions and, conditional on such reductions, about the likelihood of increased use of alternative cash management strategies.

Four-fifths of respondents indicated that their own institutions are unlikely to reduce the amount of deposits held at commercial banks. The remainder reported that only moderate or limited reductions, or targeted reductions at specific institutions, are likely. Among the institutions foreseeing reductions, the alternative cash management strategies cited the most were reallocation of deposits to different commercial banks and repurchase agreements.

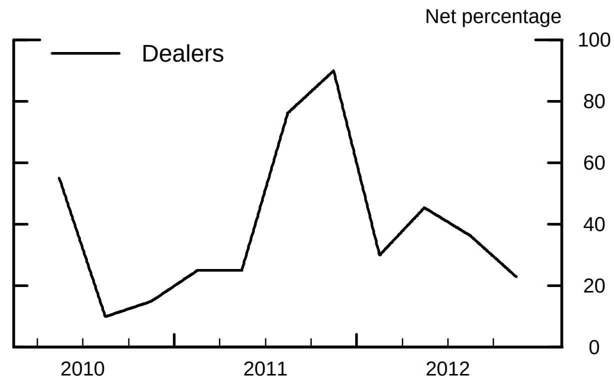
By contrast, dealers expected many of their clients to respond at least somewhat to the expiration of the unlimited guarantee. About three-fourths of dealers anticipated reductions in deposits held at commercial banks by traditionally unlevered investors, such as insurance companies; mutual funds, ETFs, pension plans and endowments; and asset managers. The remainder of respondents anticipated no reductions or targeted reductions at some specific institutions. Nearly two-thirds of respondents anticipated reductions of deposits held at commercial banks by nonfinancial corporations, with a couple of dealers suggesting significant reductions were likely. With regard to levered investors, nearly one-half of dealers indicated that they anticipated moderate or limited reductions of deposits held at commercial banks on the part of hedge funds, and more than two-thirds of respondents expected similar reductions by trading REITs. The remainder of respondents expected no response on the part of these clients. With regard to the alternative cash management strategies listed in the survey, the clients expected to reduce deposits held at commercial banks were seen as responding by reallocating deposits to other commercial banks or by increasing their use of repurchase agreements, money market funds, Treasury bills, and longer-dated Treasury securities or agency securities. Among the alternatives listed in the survey question, only direct investment in commercial paper was expected to garner little interest.

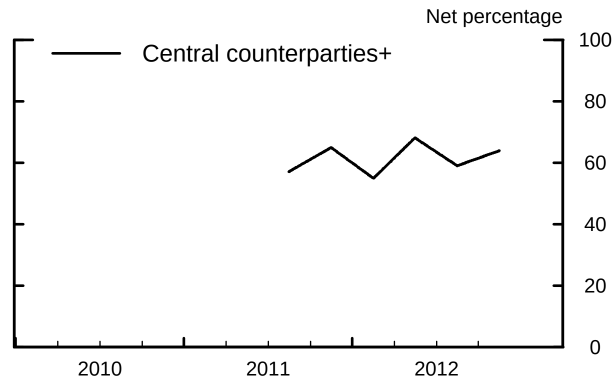
[6] On January 1, 2013, the insurance limit on noninterest-bearing transaction accounts is scheduled to revert to $250,000. In market commentary, the unlimited guarantee is often referred to as the Transaction Account Guarantee (TAG) program, and the wording of the special questions in this survey followed that convention. However, the TAG program properly refers to an earlier FDIC program that expired at the end of 2010.

This document was prepared by Michael Gordy, Division of Research and Statistics, 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.

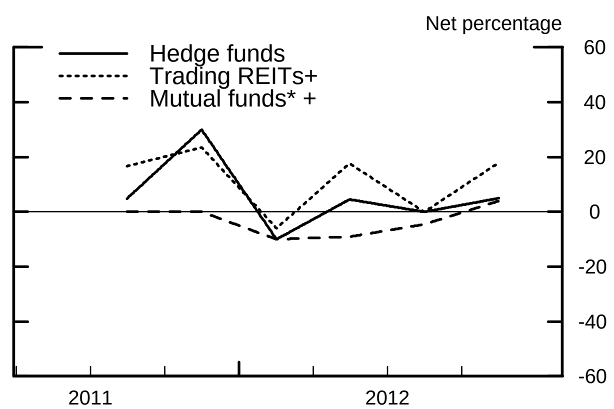
Management of Concentrated Credit Exposures and Indicators of Supply of Credit

Respondents increasing resources and attention to management of concentrated exposures to:

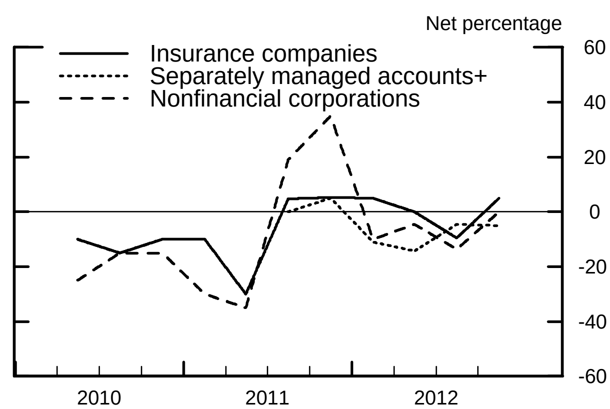




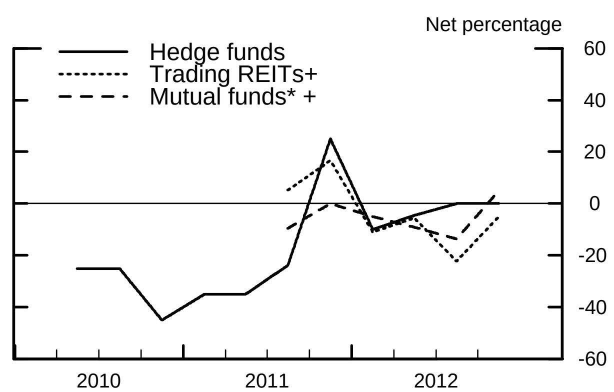
Respondents tightening price terms to:



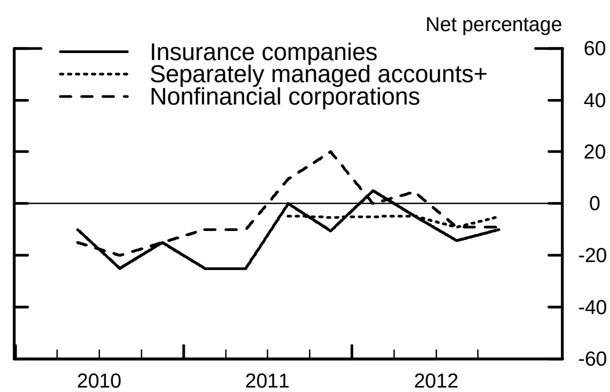
* Includes mutual funds, exchange-traded funds, pension plans, and endowments.



Respondents tightening nonprice terms to:



* Includes mutual funds, exchange-traded funds, pension plans, and endowments.

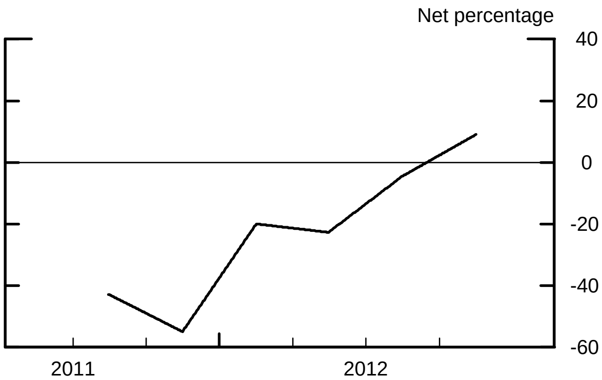


+ Note: This question was added in the September 2011 survey.

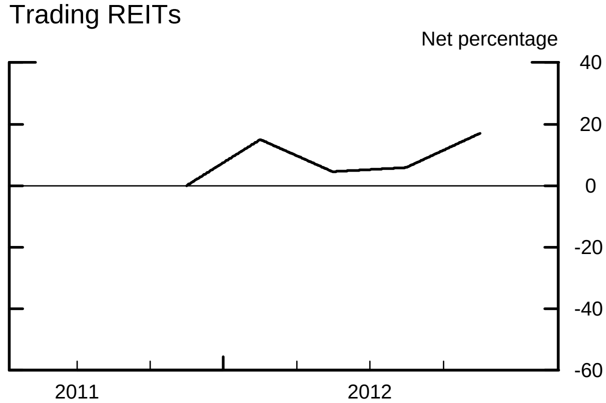
Use of Financial Leverage

Respondents reporting increased use of leverage by:

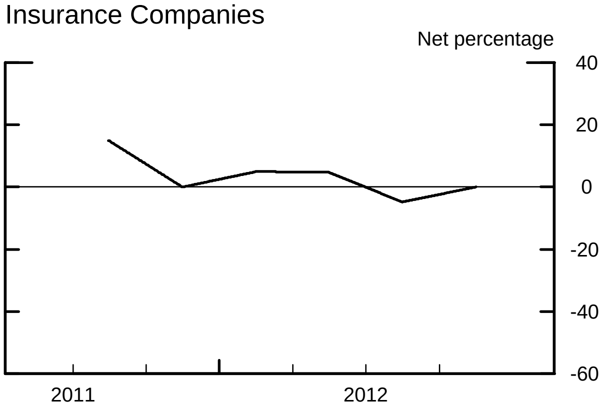
Hedge Funds



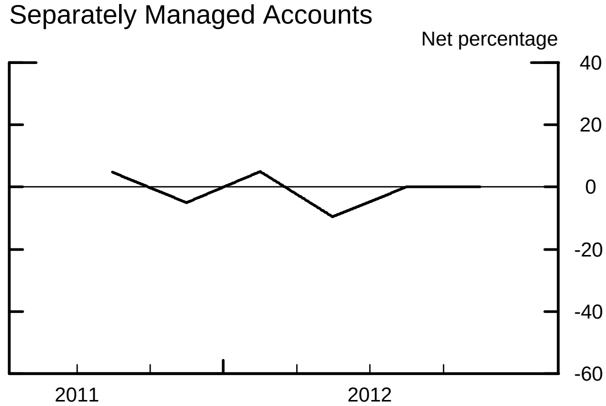
Trading REITs



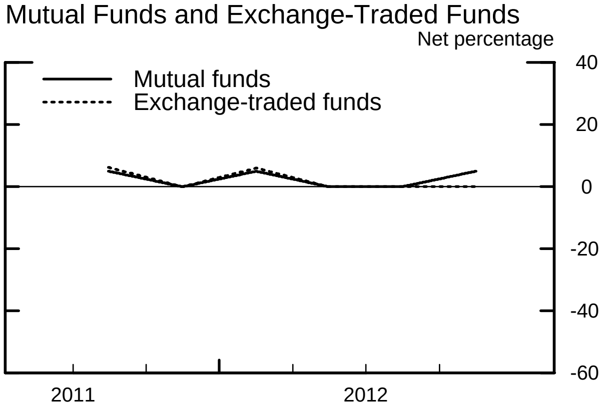
Insurance Companies



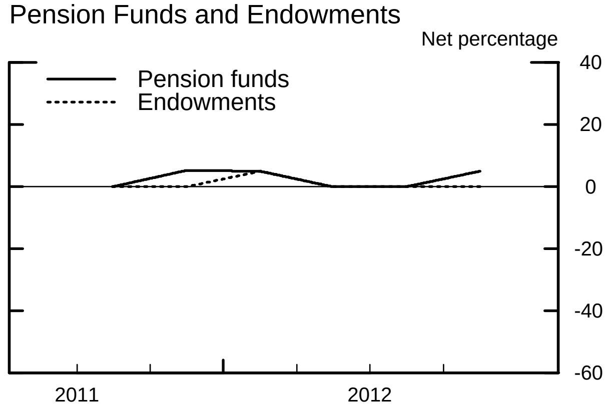
Separately Managed Accounts



Mutual Funds and Exchange-Traded Funds



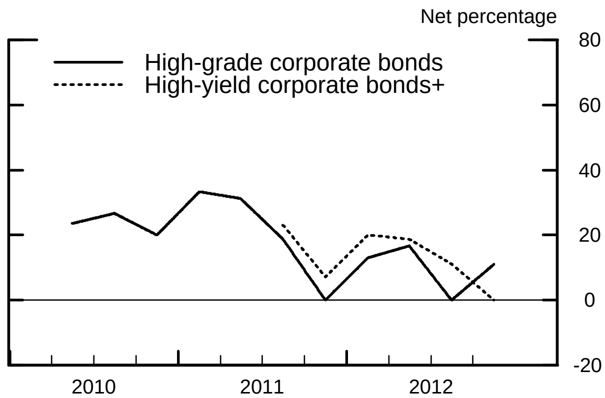
Pension Funds and Endowments

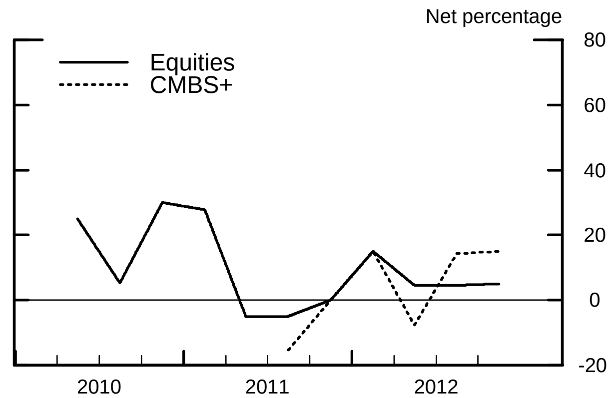


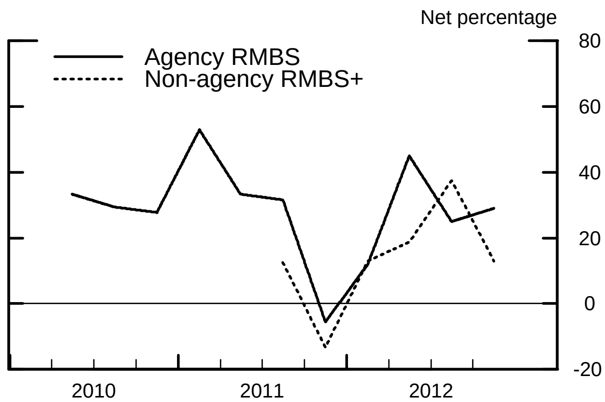
Note: This question was added in the September 2011 survey.

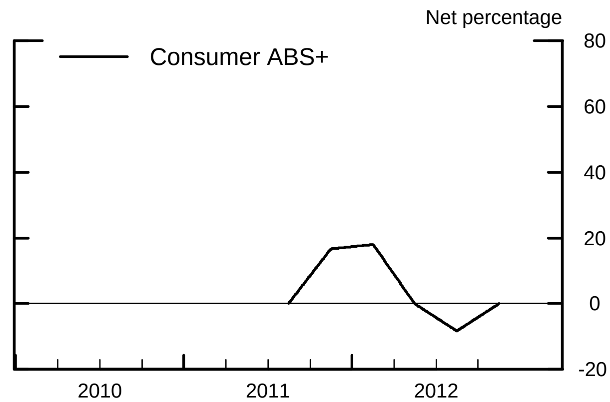
Measures of Demand for Funding and Market Functioning

Respondents reporting increased demand for funding of:

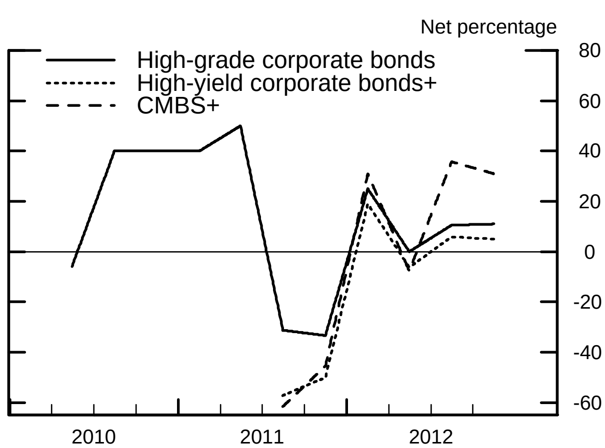


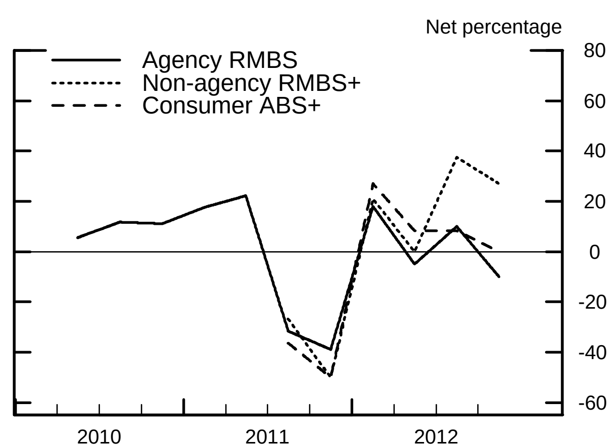






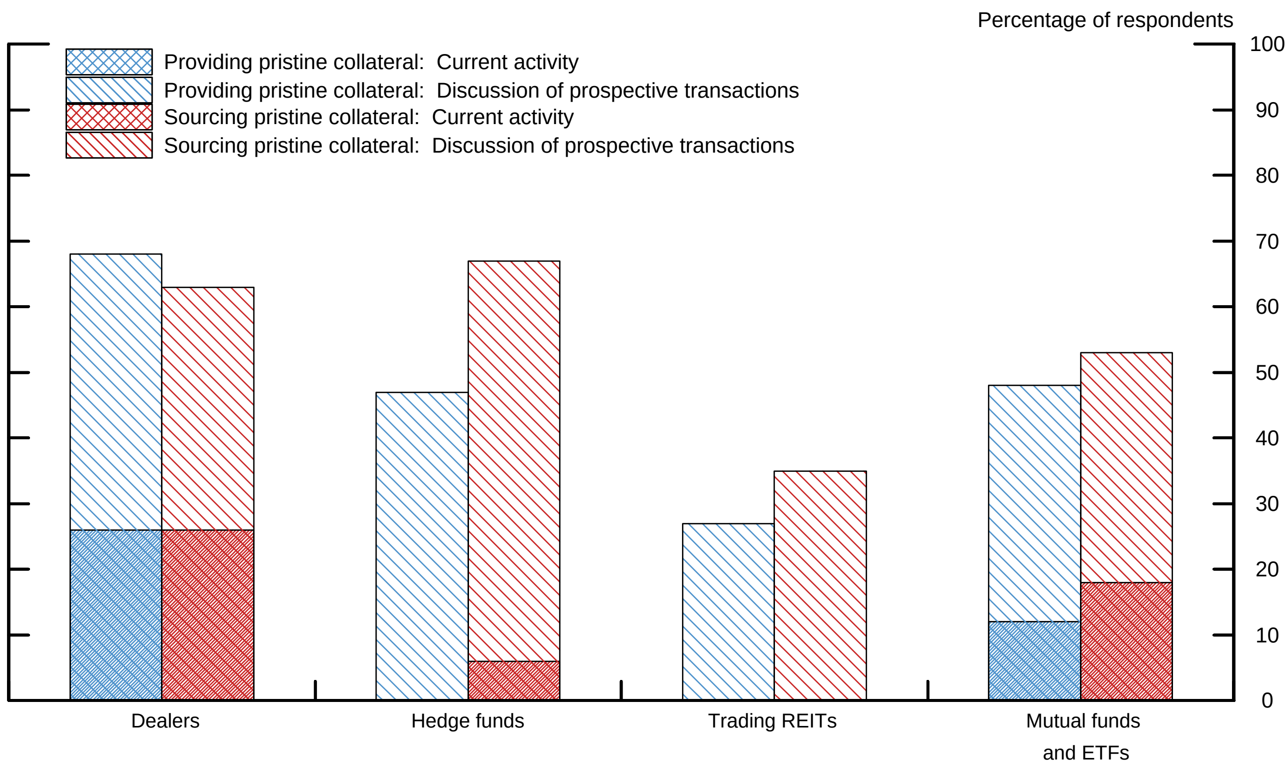
Respondents reporting an improvement in liquidity and functioning in the underlying markets for:

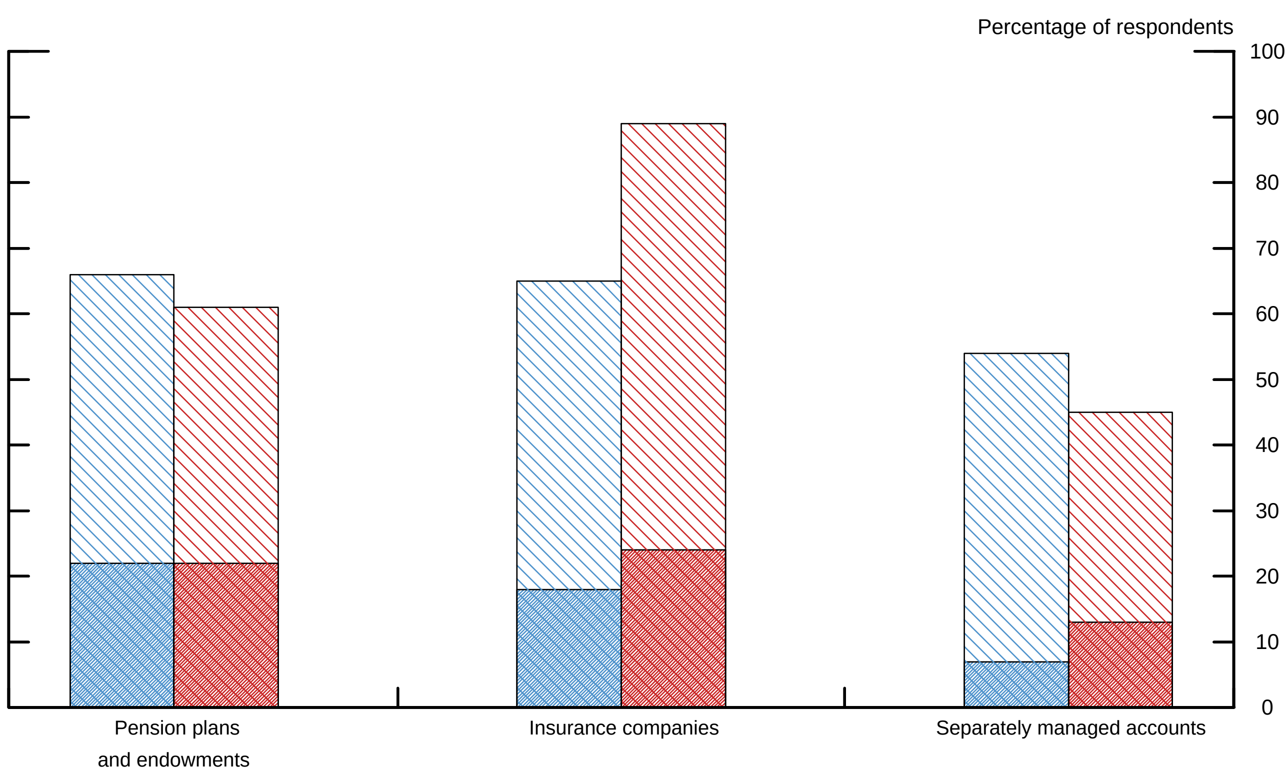




+ Note: This question was added in the September 2011 survey.

Collateral Transformation Transactions





Results of the December 2012 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 40 ask about credit terms applicable to, and mark and collateral disputes with, different counterparty types, considering the entire range of securities financing and over-the-counter (OTC) derivatives transactions. Question 1 focuses on dealers and other financial intermediaries as counterparties; questions 2 and 3 on central counterparties and other financial utilities; questions 4 through 10 focus on hedge funds; questions 11 through 16 on trading real estate investment trusts (REITs); questions 17 through 22 on mutual funds, exchange-traded funds (ETFs), pension plans, and endowments; questions 23 through 28 on insurance companies; questions 29 through 34 on separately managed accounts established with investment advisers; and questions 35 through 38 on nonfinancial corporations. Questions 39 and 40 ask about mark and collateral disputes for each of the aforementioned counterparty types.

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

Dealers and Other Financial Intermediaries

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	5	22.7
Remained basically unchanged	17	77.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

Central Counterparties and Other Financial Utilities

2. Over the past three months, how has the amount of resources and attention your firm devotes to management of concentrated credit exposure to central counterparties and other financial utilities changed?

	Number of Respondents	Percent
Increased considerably	3	13.6
Increased somewhat	11	50.0
Remained basically unchanged	8	36.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

3. To what extent have changes in the practices of central counterparties, including margin requirements and haircuts, influenced the credit terms your institution applies to clients on bilateral transactions which are not cleared?

	Number of Respondents	**Percent**
To a considerable extent	0	0.0
To some extent	5	22.7
To a minimal extent	8	36.4
Not at all	9	40.9
Total	**22**	**100.0**

Hedge Funds

4. Over the past three months, how have the price terms (for example, financing rates) offered to hedge funds as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.5
Remained basically unchanged	21	95.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**22**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	22	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**22**	**100.0**

6. To the extent that the price or nonprice terms applied to hedge funds have tightened or eased over the past three months (as reflected in your responses to questions 4 and 5), what are the most important reasons for the change?

   A. Possible reasons for tightening

      1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	1	100.0
Total	**1**	**100.0**

      2) Reduced willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	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
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Lower internal treasury charges for funding

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) More-aggressive competition from other institutions

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7. How has the intensity of efforts by hedge funds 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	4	18.2
Remained basically unchanged	18	81.8
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

8. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by hedge funds changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	3	13.6
Remained basically unchanged	18	81.8
Decreased somewhat	1	4.5
Decreased considerably	0	0.0
Total	**22**	**100.0**

9. Considering the entire range of transactions facilitated by your institution for such clients, how has the availability of additional (and currently unutilized) financial leverage under agreements currently in place with hedge funds (for example, under prime broker, warehouse agreements, and other committed but undrawn or partly drawn facilities) changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	3	13.6
Remained basically unchanged	19	86.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

10. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) hedge funds changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	9.1
Remained basically unchanged	20	90.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

Trading Real Estate Investment Trusts

11. Over the past three months, how have the price terms (for example, financing rates) offered to trading REITs as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

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

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.6
Remained basically unchanged	15	83.3
Eased somewhat	2	11.1
Eased considerably	0	0.0
Total	**18**	**100.0**

13. To the extent that the price or nonprice terms applied to trading REITs have tightened or eased over the past three months (as reflected in your responses to questions 11 and 12), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	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
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

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

	Number of Respondents	Percent
First in importance	2	50.0
Second in importance	2	50.0
Third in importance	0	0.0
Total	**4**	**100.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	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
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	1	100.0
Total	**1**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

14. How has the intensity of efforts by trading REITs 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	2	11.1
Remained basically unchanged	16	88.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

15. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by trading REITs changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	3	16.7
Remained basically unchanged	15	83.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

16. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) trading REITs changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	11.1
Remained basically unchanged	16	88.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

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

17. Over the past three months, how have the price terms (for example, financing rates) offered to mutual funds, ETFs, pension plans, and endowments as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	9.1
Remained basically unchanged	19	86.4
Eased somewhat	1	4.5
Eased considerably	0	0.0
Total	**22**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.5
Remained basically unchanged	21	95.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**22**	**100.0**

19. To the extent that the price or nonprice terms applied to mutual funds, ETFs, pension plans, and endowments have tightened or eased over the past three months (as reflected in your responses to questions 16 and 17), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	1	100.0
Total	**1**	**100.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	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**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
First in importance	1	50.0
Second in importance	1	50.0
Third in importance	0	0.0
Total	**2**	**100.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	1	50.0
Third in importance	1	50.0
Total	**2**	**100.0**

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

20. How has the intensity of efforts by mutual funds, ETFs, pension plans, and endowments to negotiate more-favorable price and nonprice terms changed over the past three months?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	9.1
Remained basically unchanged	20	90.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

21. Considering the entire range of transactions facilitated by your institution, how has the use of financial leverage by each of the following types of clients changed over the past three months?

A. Mutual funds

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.8
Remained basically unchanged	20	95.2
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

B. ETFs

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

C. Pension plans

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.8
Remained basically unchanged	20	95.2
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

D. Endowments

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

22. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) mutual funds, ETFs, pension plans, and endowments changed over the past three months?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	9.5
Remained basically unchanged	19	90.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

Insurance Companies

23. Over the past three months, how have the price terms (for example, financing rates) offered to insurance companies as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	4.8
Remained basically unchanged	20	95.2
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	90.5
Eased somewhat	2	9.5
Eased considerably	0	0.0
Total	**21**	**100.0**

25. To the extent that the price or nonprice terms applied to insurance companies have tightened or eased over the past three months (as reflected in your responses to questions 22 and 23), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	**Percent**
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	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
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

26. How has the intensity of efforts by insurance companies 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	3	14.3
Remained basically unchanged	18	85.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

27. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by insurance companies changed over the past three months?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

28. How has the provision of differential terms by your institution to most-favored (as a function of breadth, duration, and extent of relationship) insurance companies changed over the past three months?

	Number of Respondents	Percent
Increased considerably	1	5.0
Increased somewhat	0	0.0
Remained basically unchanged	19	95.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

Separately Managed Accounts Established with Investment Advisers

29. Over the past three months, how have the price terms (for example, financing rates) offered to separately managed accounts established with investment advisers as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of nonprice terms? (Please indicate tightening if terms have become more stringent—for example, if financing rates have risen.)

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

31. To the extent that the price or nonprice terms applied to separately managed accounts established with investment advisers have tightened or eased over the past three months (as reflected in your responses to questions 28 and 29), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

32. How has the intensity of efforts by investment advisers to negotiate more-favorable price and nonprice terms on behalf of separately managed accounts changed over the past three months?

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

33. Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by separately managed accounts established with investment advisers changed over the past three months?

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

34. How has the provision of differential terms by your institution to separately managed accounts established with most-favored (as a function of breadth, duration, and extent of relationship) investment advisers changed over the past three months?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.0
Remained basically unchanged	19	95.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

Nonfinancial Corporations

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	9.1
Remained basically unchanged	18	81.8
Eased somewhat	2	9.1
Eased considerably	0	0.0
Total	**22**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	90.9
Eased somewhat	2	9.1
Eased considerably	0	0.0
Total	**22**	**100.0**

37. To the extent that the price or nonprice terms applied to nonfinancial corporations have tightened or eased over the past three months (as reflected in your responses to questions 34 and 35), what are the most important reasons for the change?

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	1	100.0
Third in importance	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
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	1	100.0
Total	**1**	**100.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

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

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
First in importance	1	50.0
Second in importance	1	50.0
Third in importance	0	0.0
Total	**2**	**100.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
First in importance	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

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

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
First in importance	0	0.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**0**	**0.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	1	50.0
Second in importance	1	50.0
Third in importance	0	0.0
Total	**2**	**100.0**

38. 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	0	0.0
Increased somewhat	3	13.6
Remained basically unchanged	19	86.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

Mark and Collateral Disputes

39. Over the past three months, how has the volume of mark and collateral disputes with clients of each of the following types changed?

A. Dealers and other financial intermediaries

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	19	86.4
Decreased somewhat	3	13.6
Decreased considerably	0	0.0
Total	**22**	**100.0**

B. Hedge funds

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	9.1
Remained basically unchanged	19	86.4
Decreased somewhat	1	4.5
Decreased considerably	0	0.0
Total	**22**	**100.0**

C. Trading REITs

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

D. Mutual funds, ETFs, pension plans, and endowments

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

E. Insurance companies

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	10.0
Remained basically unchanged	17	85.0
Decreased somewhat	0	0.0
Decreased considerably	1	5.0
Total	**20**	**100.0**

F. Separately managed accounts established with investment advisers

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	19	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

G. Nonfinancial corporations

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	20	95.2
Decreased somewhat	0	0.0
Decreased considerably	1	4.8
Total	**21**	**100.0**

40. Over the past three months, how has the duration and persistence of mark and collateral disputes with clients of each of the following types changed?

A. Dealers and other financial intermediaries

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.5
Remained basically unchanged	18	81.8
Decreased somewhat	3	13.6
Decreased considerably	0	0.0
Total	**22**	**100.0**

B. Hedge funds

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	9.1
Remained basically unchanged	19	86.4
Decreased somewhat	1	4.5
Decreased considerably	0	0.0
Total	**22**	**100.0**

C. Trading REITs

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

D. Mutual funds, ETFs, pension plans, and endowments

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

E. Insurance companies

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	19	95.0
Decreased somewhat	0	0.0
Decreased considerably	1	5.0
Total	**20**	**100.0**

F. Separately managed accounts established with investment advisers

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

G. Nonfinancial corporations

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	19	95.0
Decreased somewhat	0	0.0
Decreased considerably	1	5.0
Total	**20**	**100.0**

Over-the-Counter Derivatives

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

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

New and Renegotiated Master Agreements

41. Over the past three months, how have nonprice terms incorporated in new or renegotiated OTC derivatives master agreements put in place with your institution's clients changed?

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	3	14.3
Remained basically unchanged	18	85.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

B. Acceptable collateral

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	9.5
Remained basically unchanged	18	85.7
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

C. 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	19	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**19**	**100.0**

D. Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	9.5
Remained basically unchanged	19	90.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	9.5
Remained basically unchanged	19	90.5
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

Initial Margin

42. Over the past three months, how have initial margin requirements set by your institution with respect to OTC FX derivatives changed?

A. Initial margin requirements for average clients

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	4.8
Remained basically unchanged	20	95.2
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

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

43. Over the past three months, how have initial margin requirements set by your institution with respect to OTC interest rate derivatives changed?

A. Initial margin requirements for average clients

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.8
Remained basically unchanged	19	90.5
Decreased somewhat	1	4.8
Decreased considerably	0	0.0
Total	**21**	**100.0**

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	19	90.5
Decreased somewhat	2	9.5
Decreased considerably	0	0.0
Total	**21**	**100.0**

44. Over the past three months, how have initial margin requirements set by your institution with respect to OTC equity derivatives changed?

A. Initial margin requirements for average clients

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	5.0
Remained basically unchanged	19	95.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

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

45. Over the past three months, how have initial margin requirements set by your institution with respect to OTC credit derivatives referencing corporates (single-name corporates or corporate indexes) changed?

A. Initial margin requirements for average clients

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

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

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

46. Over the past three months, how have initial margin requirements set by your institution with respect to OTC credit derivatives referencing securitized products (such as specific ABS or MBS tranches and associated indexes) changed?

A. Initial margin requirements for average clients

	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**

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

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

47. Over the past three months, how have initial margin requirements set by your institution with respect to OTC commodity derivatives changed?

A. Initial margin requirements for average clients

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

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

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

48. Over the past three months, how have initial margin requirements set by your institution with respect to TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans) changed?

A. Initial margin requirements for average clients

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

B. Initial margin requirements for most-favored clients, as a consequence of breadth, duration, and/or extent of relationship

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

Nonstandard Collateral

49. Over the past three months, how has the posting of nonstandard collateral (that is, other than cash and U.S. Treasury securities) as permitted under relevant agreements changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	13.6
Remained basically unchanged	18	81.8
Decreased somewhat	1	4.5
Decreased considerably	0	0.0
Total	**22**	**100.0**

Mark and Collateral Disputes

50. Over the past three months, how has the volume of mark and collateral disputes relating to contracts of each of the following types changed?

A. FX

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	10.5
Remained basically unchanged	15	78.9
Decreased somewhat	1	5.3
Decreased considerably	1	5.3
Total	**19**	**100.0**

B. Interest rate

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	16	80.0
Decreased somewhat	3	15.0
Decreased considerably	1	5.0
Total	**20**	**100.0**

C. Equity

	Number of Respondents	Percent
Increased considerably	1	5.3
Increased somewhat	1	5.3
Remained basically unchanged	16	84.2
Decreased somewhat	0	0.0
Decreased considerably	1	5.3
Total	**19**	**100.0**

D. Credit referencing corporates

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.6
Remained basically unchanged	14	77.8
Decreased somewhat	3	16.7
Decreased considerably	0	0.0
Total	**18**	**100.0**

E. Credit referencing securitized products including MBS and ABS

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

F. Commodity

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

G. TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans)

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

51. Over the past three months, how has the duration and persistence of mark and collateral disputes relating to contracts of each of the following types changed?

A. FX

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	16	88.9
Decreased somewhat	2	11.1
Decreased considerably	0	0.0
Total	**18**	**100.0**

B. Interest rate

	Number of Respondents	Percent
Increased considerably	1	5.3
Increased somewhat	0	0.0
Remained basically unchanged	17	89.5
Decreased somewhat	1	5.3
Decreased considerably	0	0.0
Total	**19**	**100.0**

C. Equity

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.6
Remained basically unchanged	17	94.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

D. Credit referencing corporates

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

E. Credit referencing securitized products including MBS and ABS

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

F. Commodity

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

G. TRS referencing nonsecurities (such as bank loans, including, for example, commercial and industrial loans and mortgage whole loans)

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

Securities Financing

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

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

High-Grade Corporate Bonds

52. 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	18	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**18**	**100.0**

2) Maximum maturity

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

3) Haircuts

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

4) Collateral spreads over relevant benchmark (effective financing rates)

	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**

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	5.6
Tightened somewhat	0	0.0
Remained basically unchanged	17	94.4
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**18**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	1	5.6
Tightened somewhat	0	0.0
Remained basically unchanged	17	94.4
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**18**	**100.0**

3) Haircuts

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

4) Collateral spreads over relevant benchmark (effective financing rates)

	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**

53. 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	2	11.1
Remained basically unchanged	16	88.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

54. Over the past three months, how has demand for term funding with a maturity greater than 30 days of high-grade corporate bonds by your institution's clients changed?

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

55. 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	2	11.1
Remained basically unchanged	16	88.9
Deteriorated somewhat	0	0.0
Deteriorated considerably	0	0.0
Total	**18**	**100.0**

High-Yield Corporate Bonds

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

A. Terms for average clients

1) Maximum amount of funding

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

2) Maximum maturity

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

3) Haircuts

	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) Collateral spreads over relevant benchmark (effective financing rates)

	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**

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	16	94.1
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**17**	**100.0**

2) Maximum maturity

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

3) Haircuts

	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) Collateral spreads over relevant benchmark (effective financing rates)

	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**

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

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

58. Over the past three months, how has demand for term funding with a maturity greater than 30 days of high-yield corporate bonds by your institution's clients changed?

	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**

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	2	11.1
Remained basically unchanged	15	83.3
Deteriorated somewhat	1	5.6
Deteriorated considerably	0	0.0
Total	**18**	**100.0**

Equities (Including through Stock Loan)

60. 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	20	90.9
Eased somewhat	2	9.1
Eased considerably	0	0.0
Total	**22**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	95.5
Eased somewhat	1	4.5
Eased considerably	0	0.0
Total	**22**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	22	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**22**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**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	0	0.0
Remained basically unchanged	19	86.4
Eased somewhat	3	13.6
Eased considerably	0	0.0
Total	**22**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	95.5
Eased somewhat	1	4.5
Eased considerably	0	0.0
Total	**22**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	22	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**22**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

61. 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	3	13.6
Remained basically unchanged	17	77.3
Decreased somewhat	2	9.1
Decreased considerably	0	0.0
Total	**22**	**100.0**

Agency Residential Mortgage-Backed Securities

62. 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	0	0.0
Remained basically unchanged	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	95.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	**20**	**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	0	0.0
Remained basically unchanged	20	95.2
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	90.5
Eased somewhat	2	9.5
Eased considerably	0	0.0
Total	**21**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	21	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**21**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	19	95.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	**20**	**100.0**

63. 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	6	28.6
Remained basically unchanged	15	71.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

64. Over the past three months, how has demand for term funding with a maturity greater than 30 days of agency RMBS by your institution's clients changed?

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	19.0
Remained basically unchanged	17	81.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

65. 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	0	0.0
Remained basically unchanged	19	90.5
Deteriorated somewhat	2	9.5
Deteriorated considerably	0	0.0
Total	**21**	**100.0**

Non-agency Residential Mortgage-Backed Securities

66. Over the past three months, how have the terms under which non-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	0	0.0
Remained basically unchanged	14	93.3
Eased somewhat	1	6.7
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	15	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

3) Haircuts

	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**

4) Collateral spreads over relevant benchmark (effective financing rates)

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

3) Haircuts

	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**

4) Collateral spreads over relevant benchmark (effective financing rates)

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

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

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

68. Over the past three months, how has demand for term funding with a maturity greater than 30 days of non-agency RMBS by your institution's clients changed?

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

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

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

Commercial Mortgage-Backed Securities

70. Over the past three months, how have the terms under which CMBS 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	13	100.0
Eased somewhat	0	0.0
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	13	100.0
Eased somewhat	0	0.0
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	13	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**13**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	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	0	0.0
Remained basically unchanged	13	100.0
Eased somewhat	0	0.0
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	13	100.0
Eased somewhat	0	0.0
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	13	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**13**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	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**

71. Over the past three months, how has demand for funding of CMBS by your institution's clients 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**

72. Over the past three months, how has demand for term funding with a maturity greater than 30 days of CMBS by your institution's clients changed?

	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**

73. Over the past three months, how have liquidity and functioning in the CMBS market changed?

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

Consumer Asset-Backed Securities

74. Over the past three months, how have the terms under which consumer ABS (for example, backed by credit card receivables or auto loans) are funded changed?

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	13	100.0
Eased somewhat	0	0.0
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	13	100.0
Eased somewhat	0	0.0
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	13	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**13**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	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**

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	0	0.0
Remained basically unchanged	13	100.0
Eased somewhat	0	0.0
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	12	92.3
Eased somewhat	1	7.7
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	13	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**13**	**100.0**

4) Collateral spreads over relevant benchmark (effective financing rates)

	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**

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

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

76. Over the past three months, how has demand for term funding with a maturity greater than 30 days of consumer ABS by your institution's clients changed?

	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**

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	0	0.0
Remained basically unchanged	13	100.0
Deteriorated somewhat	0	0.0
Deteriorated considerably	0	0.0
Total	**13**	**100.0**

Mark and Collateral Disputes

78. Over the past three months, how has the volume of mark and collateral disputes relating to lending against each of the following collateral types changed?

A. High-grade corporate bonds

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

B. High-yield corporate bonds

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

C. Equities

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

D. Agency RMBS

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

E. Non-agency RMBS

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

F. CMBS

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

G. Consumer ABS

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

79. Over the past three months, how has the duration and persistence of mark and collateral disputes relating to lending against each of the following collateral types changed?

A. High-grade corporate bonds

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

B. High-yield corporate bonds

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

C. Equities

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

D. Agency RMBS

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

E. Non-agency RMBS

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

F. CMBS

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

G. Consumer ABS

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

Optional Question

Question 80 requests feedback on any other issues you judge to be important relating to credit terms applicable to securities financing transactions and OTC derivatives contracts.[7]

[7] See note 4 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.

Collateral Transformation Trades

81. Relative to the beginning of 2012, how has the volume of collateral transformation transactions intermediated by your institution through which clients source pristine collateral 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**

82. Relative to the beginning of 2012, how has the volume of collateral transformation transactions intermediated by your institution through which clients provide pristine collateral changed?

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

83. For institutions of each of the following types, what is the level of interest in collateral transformation transactions that allow clients to source pristine collateral?

A. Dealers and other financial intermediaries

	Number of Respondents	**Percent**
Significant current activity	0	0.0
Some current activity	5	26.3
No current activity but frequent discussion of prospective transactions	4	21.1
No current activity but some discussion of prospective transactions	3	15.8
No current activity or discussion of prospective transactions	7	36.8
Total	**19**	**100.0**

B. Hedge funds

	Number of Respondents	**Percent**
Significant current activity	0	0.0
Some current activity	1	5.6
No current activity but frequent discussion of prospective transactions	4	22.2
No current activity but some discussion of prospective transactions	7	38.9
No current activity or discussion of prospective transactions	6	33.3
Total	**18**	**100.0**

C. Trading REITs

	Number of Respondents	Percent
Significant current activity	0	0.0
Some current activity	0	0.0
No current activity but frequent discussion of prospective transactions	2	14.3
No current activity but some discussion of prospective transactions	3	21.4
No current activity or discussion of prospective transactions	9	64.3
Total	**14**	**100.0**

D. Mutual funds and ETFs

	Number of Respondents	Percent
Significant current activity	0	0.0
Some current activity	3	17.6
No current activity but frequent discussion of prospective transactions	1	5.9
No current activity but some discussion of prospective transactions	5	29.4
No current activity or discussion of prospective transactions	8	47.1
Total	**17**	**100.0**

E. Pension plans and endowments

	Number of Respondents	Percent
Significant current activity	0	0.0
Some current activity	4	22.2
No current activity but frequent discussion of prospective transactions	2	11.1
No current activity but some discussion of prospective transactions	5	27.8
No current activity or discussion of prospective transactions	7	38.9
Total	**18**	**100.0**

F. Insurance companies

	Number of Respondents	Percent
Significant current activity	0	0.0
Some current activity	4	23.5
No current activity but frequent discussion of prospective transactions	4	23.5
No current activity but some discussion of prospective transactions	7	41.2
No current activity or discussion of prospective transactions	2	11.8
Total	**17**	**100.0**

G. Separately managed accounts established with investment advisers

	Number of Respondents	**Percent**
Significant current activity	0	0.0
Some current activity	2	12.5
No current activity but frequent discussion of prospective transactions	3	18.8
No current activity but some discussion of prospective transactions	2	12.5
No current activity or discussion of prospective transactions	9	56.3
Total	**16**	**100.0**

84. For institutions of each of the following types, what is the level of interest in collateral transformation transactions that entail such clients providing pristine collateral?

A. Dealers and other financial intermediaries

	Number of Respondents	**Percent**
Significant current activity	1	5.3
Some current activity	4	21.1
No current activity but frequent discussion of prospective transactions	5	26.3
No current activity but some discussion of prospective transactions	3	15.8
No current activity or discussion of prospective transactions	6	31.6
Total	**19**	**100.0**

B. Hedge funds

	Number of Respondents	Percent
Significant current activity	0	0.0
Some current activity	0	0.0
No current activity but frequent discussion of prospective transactions	3	17.6
No current activity but some discussion of prospective transactions	5	29.4
No current activity or discussion of prospective transactions	9	52.9
Total	**17**	**100.0**

C. Trading REITs

	Number of Respondents	Percent
Significant current activity	0	0.0
Some current activity	0	0.0
No current activity but frequent discussion of prospective transactions	3	20.0
No current activity but some discussion of prospective transactions	1	6.7
No current activity or discussion of prospective transactions	11	73.3
Total	**15**	**100.0**

D. Mutual funds and ETFs

	Number of Respondents	Percent
Significant current activity	0	0.0
Some current activity	2	11.8
No current activity but frequent discussion of prospective transactions	3	17.6
No current activity but some discussion of prospective transactions	3	17.6
No current activity or discussion of prospective transactions	9	52.9
Total	**17**	**100.0**

E. Pension plans and endowments

	Number of Respondents	Percent
Significant current activity	0	0.0
Some current activity	4	22.2
No current activity but frequent discussion of prospective transactions	6	33.3
No current activity but some discussion of prospective transactions	2	11.1
No current activity or discussion of prospective transactions	6	33.3
Total	**18**	**100.0**

F. Insurance companies

	Number of Respondents	Percent
Significant current activity	0	0.0
Some current activity	3	17.6
No current activity but frequent discussion of prospective transactions	3	17.6
No current activity but some discussion of prospective transactions	5	29.4
No current activity or discussion of prospective transactions	6	35.3
Total	**17**	**100.0**

G. Separately managed accounts established with investment advisers

	Number of Respondents	Percent
Significant current activity	0	0.0
Some current activity	1	6.7
No current activity but frequent discussion of prospective transactions	4	26.7
No current activity but some discussion of prospective transactions	3	20.0
No current activity or discussion of prospective transactions	7	46.7
Total	**15**	**100.0**

Expiration of the Federal Deposit Insurance Corporation's Transaction Account Guarantee Program

85. How likely is your institution to adjust its cash management strategies on credit risk management grounds due to the expiration of the Transaction Account Guarantee (TAG) program?

	Number of Respondents	**Percent**
Significant reductions in the volume of deposits held at commercial banking institutions in general are likely.	0	0.0
Moderate reductions in the volume of deposits held at commercial banking institutions in general are likely.	1	4.8
Limited reductions in the volume of deposits held at commercial banking institutions in general are likely.	2	9.5
Reductions in the volume of deposits held at some specific institutions are likely.	1	4.8
No reductions in the volume of deposits held at commercial banking institutions are likely.	17	81.0
Total	**21**	**100.0**

86. To the extent that your institution will adjust its cash management strategies on credit risk management grounds due to the expiration of the TAG program by reducing the volume of deposits held at commercial banking institutions, which of the following alternatives are likely to be used to a greater extent in managing cash?

A. Direct investment in Treasury bills

	Number of Respondents	Percent
Very likely	0	0.0
Somewhat likely	1	25.0
Not likely	3	75.0
Total	**4**	**100.0**

B. Direct investment in other government securities (such as longer-dated Treasury securities or agency securities)

	Number of Respondents	Percent
Very likely	0	0.0
Somewhat likely	0	0.0
Not likely	4	100.0
Total	**4**	**100.0**

C. Direct investment in commercial paper

	Number of Respondents	Percent
Very likely	0	0.0
Somewhat likely	0	0.0
Not likely	4	100.0
Total	**4**	**100.0**

D. Investment in money market fund shares

	Number of Respondents	Percent
Very likely	0	0.0
Somewhat likely	1	25.0
Not likely	3	75.0
Total	**4**	**100.0**

E. Lending backed by securities (repurchase agreements)

	Number of Respondents	Percent
Very likely	1	25.0
Somewhat likely	2	50.0
Not likely	1	25.0
Total	**4**	**100.0**

F. Deposits at different commercial banking institutions (that is, reallocation to different banks)

	Number of Respondents	Percent
Very likely	2	50.0
Somewhat likely	1	25.0
Not likely	1	25.0
Total	**4**	**100.0**

87. How likely are your institution's clients of various types to adjust their cash management strategies on credit risk management grounds due to the expiration of the TAG program by reducing the amount of deposits held at commercial banking institutions?

A. Hedge funds

	Number of Respondents	Percent
Significant reductions in the volume of deposits held at commercial banking institutions in general are likely.	0	0.0
Moderate reductions in the volume of deposits held at commercial banking institutions in general are likely.	1	9.1
Limited reductions in the volume of deposits held at commercial banking institutions in general are likely.	4	36.4
Reductions in the volume of deposits held at some specific commercial banking institutions are likely.	3	27.3
No reductions in the volume of deposits held at commercial banking institutions are likely.	3	27.3
Total	**11**	**100.0**

B. Trading REITs

	Number of Respondents	Percent
Significant reductions in the volume of deposits held at commercial banking institutions in general are likely.	0	0.0
Moderate reductions in the volume of deposits held at commercial banking institutions in general are likely.	2	20.0
Limited reductions in the volume of deposits held at commercial banking institutions in general are likely.	5	50.0
Reductions in the volume of deposits held at some specific commercial banking institutions are likely.	1	10.0
No reductions in the volume of deposits held at commercial banking institutions are likely.	2	20.0
Total	**10**	**100.0**

C. Mutual funds, ETFs, pension plans, and endowments

	Number of Respondents	**Percent**
Significant reductions in the volume of deposits held at commercial banking institutions in general are likely.	1	9.1
Moderate reductions in the volume of deposits held at commercial banking institutions in general are likely.	2	18.2
Limited reductions in the volume of deposits held at commercial banking institutions in general are likely.	5	45.5
Reductions in the volume of deposits held at some specific commercial banking institutions are likely.	1	9.1
No reductions in the volume of deposits held at commercial banking institutions are likely.	2	18.2
Total	**11**	**100.0**

D. Insurance companies

	Number of Respondents	Percent
Significant reductions in the volume of deposits held at commercial banking institutions in general are likely.	1	9.1
Moderate reductions in the volume of deposits held at commercial banking institutions in general are likely.	3	27.3
Limited reductions in the volume of deposits held at commercial banking institutions in general are likely.	5	45.5
Reductions in the volume of deposits held at some specific commercial banking institutions are likely.	0	0.0
No reductions in the volume of deposits held at commercial banking institutions are likely.	2	18.2
Total	**11**	**100.0**

E. Separately managed accounts established with investment advisers

	Number of Respondents	**Percent**
Significant reductions in the volume of deposits held at commercial banking institutions in general are likely.	0	0.0
Moderate reductions in the volume of deposits held at commercial banking institutions in general are likely.	3	27.3
Limited reductions in the volume of deposits held at commercial banking institutions in general are likely.	5	45.5
Reductions in the volume of deposits held at some <u>specific</u> commercial banking institutions are likely.	0	0.0
No reductions in the volume of deposits held at commercial banking institutions are likely.	3	27.3
Total	**11**	**100.0**

F. Nonfinancial corporations

	Number of Respondents	Percent
Significant reductions in the volume of deposits held at commercial banking institutions in general are likely.	2	18.2
Moderate reductions in the volume of deposits held at commercial banking institutions in general are likely.	1	9.1
Limited reductions in the volume of deposits held at commercial banking institutions in general are likely.	4	36.4
Reductions in the volume of deposits held at some specific commercial banking institutions are likely.	3	27.3
No reductions in the volume of deposits held at commercial banking institutions are likely.	1	9.1
Total	**11**	**100.0**

88. To the extent that your institution expects clients to adjust their cash management strategies on credit risk management grounds due to the expiration of the TAG program, which alternatives are likely to be used in managing cash to a greater extent?

A. Direct investment in Treasury bills

	Number of Respondents	Percent
Very likely	2	22.2
Somewhat likely	6	66.7
Not likely	1	11.1
Total	**9**	**100.0**

B. Direct investment in other government securities (such as longer-dated Treasury securities or agency securities)

	Number of Respondents	Percent
Very likely	1	11.1
Somewhat likely	6	66.7
Not likely	2	22.2
Total	**9**	**100.0**

C. Direct investment in commercial paper

	Number of Respondents	Percent
Very likely	0	0.0
Somewhat likely	3	33.3
Not likely	6	66.7
Total	**9**	**100.0**

D. Investment in money market fund shares

	Number of Respondents	Percent
Very likely	2	22.2
Somewhat likely	7	77.8
Not likely	0	0.0
Total	**9**	**100.0**

E. Lending backed by securities (repurchase agreements)

	Number of Respondents	Percent
Very likely	2	22.2
Somewhat likely	7	77.8
Not likely	0	0.0
Total	**9**	**100.0**

F. Deposits at different commercial banking institutions (that is, reallocation to different banks)

	Number of Respondents	**Percent**
Very likely	4	44.4
Somewhat likely	3	33.3
Not likely	2	22.2
Total	**9**	**100.0**