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Senior Credit Officer Opinion Survey on Dealer Financing Terms

June 2010

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

Summary

The inaugural June 2010 Senior Credit Officer Opinion Survey on Dealer Financing Terms collected qualitative information on changes over the previous three months in credit terms and conditions in securities financing and over-the-counter (OTC) derivatives markets.[1] The survey included a core set of questions that were organized into three groups. The first group of questions covered credit terms applicable to particular types of counterparties across the entire spectrum of transactions. The second group of questions asked about OTC derivatives trades, differentiating among the underlying asset classes (underlyings) and also between "plain vanilla" derivatives and those that are more highly customized. The third group of questions queried about securities financing trades—that is, lending to clients collateralized by securities—differentiating among different collateral types and recognizing that the terms available to an institution's most-favored clients may differ from those available to average clients. Also included was a set of special questions asking survey respondents to characterize the stringency of current credit terms relative to the end of 2006. This summary is based on responses from 20 financial institutions that account for almost all of the dealer financing of dollar-denominated securities to nondealers and that are the most active intermediaries in OTC derivatives markets. The survey was conducted during the period from May 24, 2010, to June 4, 2010. The reference period for the core questions was March 2010 through May 2010.

Overall, responses to the June survey pointed to some noteworthy developments with respect to counterparty relationships and securities financing over the previous three months. By contrast, the responses indicated little change in the terms and conditions prevalent in OTC derivatives markets over this reference period.[2] For instance:

- Survey respondents reported that the amount of resources and attention devoted by dealers to management of concentrated credit exposures to dealers and other financial intermediaries had increased.

[1] More information about the new Federal Reserve survey on dealer financing terms can be found in Board of Governors of the Federal Reserve System (2010), "Federal Reserve Announces Release Date for Results of the Inaugural Senior Credit Officer Opinion Survey on Dealer Financing Terms (SCOOS)," press release, July 12, www.federalreserve.gov/newsevents/press/other/20100712a.htm.

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

- Dealers indicated that they had generally loosened credit terms offered to important groups of clients—including hedge funds and other private pools of capital, insurance companies and other institutional investors, and nonfinancial firms—across the spectrum of securities financing and OTC derivatives transactions. Dealers also noted that efforts by clients to negotiate more-favorable terms had increased in intensity.

- With respect to OTC derivatives transactions, respondents reported that nonprice terms had changed little across different types of underlyings, including those for both plain vanilla and customized derivatives.

- Responses to questions focused on securities financing suggested an increase in demand for funding high-grade corporate bonds, equities, agency residential mortgage-backed securities (RMBS), and other asset-backed securities (ABS).

- Dealers reported that the volume of mark and collateral disputes with clients remained basically unchanged across counterparty and transaction types.[3]

- Responses to special questions suggested that current credit terms applicable to all counterparty and transaction types were uniformly more stringent than at the end of 2006, before the onset of the financial crisis.

Counterparty Types

(*Questions 1-17*)

Dealers and other financial intermediaries. More than one-half of the respondents indicated that the amount of resources and attention devoted by dealers to management of concentrated exposures to dealers and other financial intermediaries increased somewhat over the past three months, with the remainder characterizing their focus as unchanged. The vast majority of respondents, however, reported that the volume of mark and collateral disputes with dealers and other financial intermediaries remained basically unchanged over the past three months.

Hedge funds, private equity firms, and other similar private pools of capital. Responses with respect to credit terms applicable to hedge funds, private equity firms, and other similar private pools of capital indicated that, across several dimensions, dealers provided somewhat more-favorable terms over the past three months. A small net fraction of respondents eased price terms, which include, most importantly, financing rates. One-fourth of respondents, on balance, reported having loosened nonprice terms, which include haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features. According to the survey, the predominant reasons cited for loosening price and nonprice terms offered to hedge fund counterparties over the past three months were more-aggressive competition from other institutions,

[3] Mark and collateral disputes refer to disputes between dealers and clients about the mark-to-market value of obligations and collateral.

improvement in the current or expected financial strength of counterparties, and improvement in general market liquidity and functioning.[4] In characterizing their interactions with hedge fund counterparties, almost two-thirds of dealers indicated that the intensity of efforts by these counterparties to negotiate more-favorable price and nonprice terms had increased over the past three months. Of note, one-fourth of respondents reported a considerable increase in the intensity of these efforts. Looking forward over the next three months, more than one-half of survey respondents expected price and nonprice terms to remain basically unchanged, with the remainder of dealers anticipating somewhat tighter terms, on net.

Insurance companies, pension funds, and other institutional investors. Responses to questions about credit terms for insurance companies, pension funds, and other institutional investors showed similar but more muted trends. Small net fractions of dealers indicated that they had loosened both price and nonprice terms for such counterparties over the past three months. The three factors that were reported to have exerted the greatest influence on dealers' policies were improvement in the current or expected financial strength of counterparties, improvement in general market liquidity and functioning, and more-aggressive competition from other institutions. More than one-third of respondents indicated that the intensity of efforts by insurance companies, pension funds, and other institutional investors to negotiate more-favorable price and nonprice terms had increased over the past three months. Looking forward over the next three months, more than one-half of dealers anticipated that price and nonprice terms would remain basically unchanged.

Nonfinancial corporations. The responses to questions about credit terms applicable to nonfinancial corporations also suggest a loosening over the past three months. One-fourth of dealers, on balance, reported a loosening of price terms offered to these counterparties, while a small net fraction of respondents indicated that they had eased nonprice terms. The most important reasons cited for the loosening in credit terms were broadly consistent with those for other counterparty types: Respondents pointed to improvement in general market liquidity and functioning, more-aggressive competition from other institutions, and improvement in the current or expected financial strength of counterparties. Dealers reported some pressure on terms from nonfinancial counterparties, with one-half of survey respondents noting that the intensity of efforts to negotiate more-favorable terms had increased over the past three months. Looking forward, almost one-fifth of dealers, on net, expect a further loosening of the price and nonprice terms under which they transact with nonfinancial corporations.

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

Over-the-Counter Derivatives

(*Questions 18-29*)

Overall, the responses to the questions dealing with OTC derivatives trades suggested little change over the past three months in terms for plain vanilla and customized derivatives as well as in the volume of mark and collateral disputes with clients across the various underlyings—foreign exchange, interest rates, equities, credit, commodities, and total return swaps referencing nonsecurities (such as bank debt and whole loans).

Securities Financing

(*Questions 30-46*)

The most important trend evident from the responses to questions dealing with securities financing related to demand for funding.[5] Survey respondents indicated that, on net, demand for funding generally increased over the past three months. Of note, on balance, one-half of the dealers that lend against other ABS and one-third of the respondents that lend against agency RMBS reported an increase in demand for funding.

Broad trends regarding changes in terms were more difficult to discern from the dealer responses. However, certain specific changes in terms were identified by several dealers. For example, small net fractions of respondents reported having increased financing rates at which high-grade corporate bonds are funded for both average and most-favored clients over the past three months. By contrast, small net fractions of dealers reported having lengthened the maximum maturity under which equities are funded for both average and most-favored clients. In the case of agency RMBS, small net fractions of survey respondents indicated that they had eased a couple of terms (maximum maturity and haircuts) for both average and most-favored clients. Small net fractions of dealers active in other ABS reported a reduction in haircuts applicable to both average and most-favored clients.

Questions about liquidity and market functioning for various types of collateral funded through repurchase agreements and similar secured financing transactions, which are included in this section of the survey, generally suggested no major change in the views of senior credit officers. About one-fourth of respondents, however, indicated that liquidity and functioning in the market for other ABS had deteriorated over the past three months. There was no indication of an increase in collateral and mark disputes with clients for funding of any collateral, including other ABS.

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

Special Questions on the Stringency of Credit Terms Relative to the End of 2006

(*Questions 48-50*)[6]

Responses to these special questions pointed to significantly tighter credit terms across counterparty and transaction types relative to the end of 2006.[7] All respondents but one characterized credit terms applicable to hedge fund counterparties as currently tighter than in the reference period. A significant majority of respondents provided an analogous characterization of the current stringency of credit terms applicable to insurance companies, pension funds, and other institutional investors. By contrast, almost one-third of dealers noted that the current stringency of credit terms applicable to nonfinancial corporations was basically unchanged relative to the end of 2006. In general, the vast majority of dealers reported tighter credit terms relative to the end of 2006 with regard to both OTC derivatives and securities financing transactions.

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

[6] Question 47, not discussed here, is optional and allows respondents to provide additional comments.

[7] These questions were intended to provide a benchmark *level* for interpreting a survey that is focused on *changes*, yet was being administered for the first time.

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

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

Counterparty Types

Questions 1 through 17 ask about credit terms applicable to different counterparty types across the entire range of securities financing and over-the-counter derivatives transactions, why these may have changed, and expectations for the future. In some questions, the survey differentiates between the compensation demanded for bearing credit risk (price terms) and the contractual provisions used to mitigate exposures (nonprice terms). Questions 1 and 2 focus on dealers and other financial intermediaries as counterparties; questions 3 through 7 on hedge funds, private equity firms, and other similar private pools of capital; questions 8 through 12 on insurance companies, pension funds, and other institutional investors; and questions 13 through 17 on transactions involving nonfinancial corporations. If your institution's terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies regarding terms as changes in policies. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in your response to Question 47. Where material differences exist across different business areas, for example, between traditional prime brokerage and over-the-counter derivatives, please answer with regard to the business area generating the most exposure and explain in your response to Question 47.

Dealers and Other Financial Intermediaries

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

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

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

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

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

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	10.0
Remained basically unchanged	13	65.0
Loosened somewhat	5	25.0
Loosened considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	10.0
Remained basically unchanged	11	55.0
Loosened somewhat	7	35.0
Loosened considerably	0	0.0
Total	**20**	**100.0**

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

A. Possible reasons for tightening:

1) Deterioration in current or expected financial strength of counterparties

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

2) Reduced willingness of your institution to take on risk

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

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

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

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
Very important	1	33.3
Somewhat important	1	33.3
Not important	1	33.3
Total	**3**	**100.0**

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

	Number of Respondents	Percent
Very important	1	33.3
Somewhat important	2	66.7
Not important	0	0.0
Total	**3**	**100.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
Very important	1	33.3
Somewhat important	2	66.7
Not important	0	0.0
Total	**3**	**100.0**

7) Less-aggressive competition from other institutions

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

B. Possible reasons for easing:

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
Very important	4	57.1
Somewhat important	2	28.6
Not important	1	14.3
Total	**7**	**100.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
Very important	1	14.3
Somewhat important	2	28.6
Not important	4	57.1
Total	**7**	**100.0**

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

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	14.3
Not important	6	85.7
Total	**7**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	14.3
Not important	6	85.7
Total	**7**	**100.0**

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

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	2	28.6
Not important	5	71.4
Total	**7**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
Very important	2	28.6
Somewhat important	3	42.9
Not important	2	28.6
Total	**7**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	6	85.7
Somewhat important	1	14.3
Not important	0	0.0
Total	**7**	**100.0**

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

	Number of Respondents	**Percent**
Increased considerably	5	25.0
Increased somewhat	8	40.0
Remained basically unchanged	7	35.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	**Percent**
Price and nonprice terms are likely to tighten considerably	0	0.0
Price and nonprice terms are likely to tighten somewhat	5	25.0
Price and nonprice terms are likely to remain basically unchanged	12	60.0
Price and nonprice terms are likely to loosen somewhat	3	15.0
Price and nonprice terms are likely to loosen considerably	0	0.0
Total	**20**	**100.0**

Insurance Companies, Pension Funds, and Other Institutional Investors

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	15.0
Remained basically unchanged	12	60.0
Loosened somewhat	5	25.0
Loosened considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	10.0
Remained basically unchanged	14	70.0
Loosened somewhat	4	20.0
Loosened considerably	0	0.0
Total	**20**	**100.0**

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

    A. Possible reasons for tightening:

    1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
Very important	1	33.3
Somewhat important	1	33.3
Not important	1	33.3
Total	**3**	**100.0**

    2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
Very important	0	0.0
Somewhat important	2	66.7
Not important	1	33.3
Total	**3**	**100.0**

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

	Number of Respondents	**Percent**
Very important	0	0.0
Somewhat important	2	66.7
Not important	1	33.3
Total	**3**	**100.0**

4) Higher internal treasury charges for funding

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

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

	Number of Respondents	Percent
Very important	1	33.3
Somewhat important	1	33.3
Not important	1	33.3
Total	**3**	**100.0**

6) Worsening in general market liquidity and functioning

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

7) Less-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	2	66.7
Not important	1	33.3
Total	**3**	**100.0**

B. Possible reasons for easing:

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
Very important	2	33.3
Somewhat important	2	33.3
Not important	2	33.3
Total	**6**	**100.0**

2) Increased willingness of your institution to take on risk

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

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

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

4) Lower internal treasury charges for funding

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

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

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

6) Improvement in general market liquidity and functioning

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

7) More-aggressive competition from other institutions

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

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

	Number of Respondents	Percent
Increased considerably	1	5.0
Increased somewhat	7	35.0
Remained basically unchanged	12	60.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	Percent
Price and nonprice terms are likely to tighten considerably	1	5.0
Price and nonprice terms are likely to tighten somewhat	3	15.0
Price and nonprice terms are likely to remain basically unchanged	11	55.0
Price and nonprice terms are likely to loosen somewhat	5	25.0
Price and nonprice terms are likely to loosen considerably	0	0.0
Total	**20**	**100.0**

Nonfinancial Corporations

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	10.0
Remained basically unchanged	11	55.0
Loosened somewhat	7	35.0
Loosened considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	10.0
Remained basically unchanged	13	65.0
Loosened somewhat	4	20.0
Loosened considerably	1	5.0
Total	**20**	**100.0**

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

A. Possible reasons for tightening:

1) Deterioration in current or expected financial strength of counterparties

	Number of Respondents	**Percent**
Very important	1	33.3
Somewhat important	0	0.0
Not important	2	66.7
Total	**3**	**100.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
Very important	2	66.7
Somewhat important	1	33.3
Not important	0	0.0
Total	**3**	**100.0**

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

	Number of Respondents	Percent
Very important	2	66.7
Somewhat important	1	33.3
Not important	0	0.0
Total	**3**	**100.0**

4) Higher internal treasury charges for funding

	Number of Respondents	Percent
Very important	2	66.7
Somewhat important	0	0.0
Not important	1	33.3
Total	**3**	**100.0**

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

	Number of Respondents	Percent
Very important	2	66.7
Somewhat important	0	0.0
Not important	1	33.3
Total	**3**	**100.0**

6) Worsening in general market liquidity and functioning

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	1	33.3
Not important	2	66.7
Total	**3**	**100.0**

7) Less-aggressive competition from other institutions

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

B. Possible reasons for easing:

1) Improvement in current or expected financial strength of counterparties

	Number of Respondents	Percent
Very important	2	25.0
Somewhat important	4	50.0
Not important	2	25.0
Total	**8**	**100.0**

2) Increased willingness of your institution to take on risk

	Number of Respondents	Percent
Very important	2	25.0
Somewhat important	3	37.5
Not important	3	37.5
Total	**8**	**100.0**

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

	Number of Respondents	Percent
Very important	2	25.0
Somewhat important	2	25.0
Not important	4	50.0
Total	**8**	**100.0**

4) Lower internal treasury charges for funding

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	2	25.0
Not important	6	75.0
Total	**8**	**100.0**

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

	Number of Respondents	Percent
Very important	0	0.0
Somewhat important	2	25.0
Not important	6	75.0
Total	**8**	**100.0**

6) Improvement in general market liquidity and functioning

	Number of Respondents	Percent
Very important	5	62.5
Somewhat important	3	37.5
Not important	0	0.0
Total	**8**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
Very important	6	75.0
Somewhat important	1	12.5
Not important	1	12.5
Total	**8**	**100.0**

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

	Number of Respondents	**Percent**
Increased considerably	3	15.0
Increased somewhat	7	35.0
Remained basically unchanged	10	50.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	**Percent**
Price and nonprice terms are likely to tighten considerably	0	0.0
Price and nonprice terms are likely to tighten somewhat	3	15.0
Price and nonprice terms are likely to remain basically unchanged	11	55.0
Price and nonprice terms are likely to loosen somewhat	5	25.0
Price and nonprice terms are likely to loosen considerably	1	5.0
Total	**20**	**100.0**

Over-the-Counter Derivatives

Questions 18 through 29 ask about over-the-counter derivatives trades. Questions 18 and 19 focus on trades with Foreign Exchange (FX) as the underlying; questions 20 and 21 on trades with interest rates (IR) as the underlying; questions 22 and 23 on trades with equities as the underlying; questions 24 and 25 on trades with debt securities as the underlying (including contracts referencing MBS and ABS); questions 26 and 27 on trades with commodities as the underlying; and questions 28 and 29 on total return swaps with nonsecurities such as bank debt and whole loans as the underlying. If your institution's terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies regarding terms as changes in terms. Please respond "Not applicable" to questions dealing with business areas in which you do not conduct material activities. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in your response to Question 47.

Foreign Exchange

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

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

       1) Initial margin

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

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

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

3) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	1	5.9
Tightened somewhat	2	11.8
Remained basically unchanged	13	76.5
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

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

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

5) Triggers and covenants

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

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	11.1
Remained basically unchanged	14	77.8
Eased somewhat	2	11.1
Eased considerably	0	0.0
Total	**18**	**100.0**

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

1) Initial margin

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

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

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

3) Maximum maturity

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

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

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

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	11.8
Remained basically unchanged	12	70.6
Eased somewhat	3	17.6
Eased considerably	0	0.0
Total	**17**	**100.0**

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

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

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

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

Interest Rates

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

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

1) Initial margin

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

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

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

3) Maximum maturity

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

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

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

5) Triggers and covenants

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

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

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

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

1) Initial margin

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

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

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

3) Maximum maturity

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

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

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

5) Triggers and covenants

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

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

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

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

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

Equities

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

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

1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	3	17.6
Remained basically unchanged	12	70.6
Eased somewhat	2	11.8
Eased considerably	0	0.0
Total	**17**	**100.0**

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

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

3) Maximum maturity

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

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

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

5) Triggers and covenants

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

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

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

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

1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	3	17.6
Remained basically unchanged	11	64.7
Eased somewhat	3	17.6
Eased considerably	0	0.0
Total	**17**	**100.0**

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

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

3) Maximum maturity

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

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

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

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	3	17.6
Remained basically unchanged	11	64.7
Eased somewhat	3	17.6
Eased considerably	0	0.0
Total	**17**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	11.8
Remained basically unchanged	12	70.6
Eased somewhat	3	17.6
Eased considerably	0	0.0
Total	**17**	**100.0**

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

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

Credit

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

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

       1) Initial margin

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

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

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

3) Maximum maturity

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

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

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

5) Triggers and covenants

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

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

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

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

1) Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	4	26.7
Remained basically unchanged	7	46.7
Eased somewhat	4	26.7
Eased considerably	0	0.0
Total	**15**	**100.0**

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

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

3) Maximum maturity

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

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	11	73.3
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

5) Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	11	73.3
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	11	73.3
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

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

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	13.3
Remained basically unchanged	10	66.7
Decreased somewhat	2	13.3
Decreased considerably	1	6.7
Total	**15**	**100.0**

Commodities

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

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

1) Initial margin

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

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

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

3) Maximum maturity

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

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

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

5) Triggers and covenants

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

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

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

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

1) Initial margin

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

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

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

3) Maximum maturity

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

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

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

5) Triggers and covenants

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

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

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	16.7
Remained basically unchanged	9	75.0
Decreased somewhat	1	8.3
Decreased considerably	0	0.0
Total	**12**	**100.0**

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

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

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	18.2
Remained basically unchanged	8	72.7
Eased somewhat	1	9.1
Eased considerably	0	0.0
Total	**11**	**100.0**

B. Initial margin

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	9.1
Remained basically unchanged	8	72.7
Eased somewhat	2	18.2
Eased considerably	0	0.0
Total	**11**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	9.1
Remained basically unchanged	9	81.8
Eased somewhat	1	9.1
Eased considerably	0	0.0
Total	**11**	**100.0**

D. Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	9.1
Remained basically unchanged	9	81.8
Eased somewhat	1	9.1
Eased considerably	0	0.0
Total	**11**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	10	90.9
Eased somewhat	1	9.1
Eased considerably	0	0.0
Total	**11**	**100.0**

F. Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	9.1
Remained basically unchanged	9	81.8
Eased somewhat	1	9.1
Eased considerably	0	0.0
Total	**11**	**100.0**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	9.1
Remained basically unchanged	9	81.8
Eased somewhat	1	9.1
Eased considerably	0	0.0
Total	**11**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	10.0
Remained basically unchanged	9	90.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**10**	**100.0**

Securities Financing

Questions 30 through 46 ask about securities funding at your institution—that is, lending to clients collateralized by securities. Such activities may be conducted on a "repo" desk, on a trading desk engaged in facilitation for institutional clients and/or proprietary transactions, on a funding desk, or on a prime brokerage platform. Questions 30 through 34 focus on lending against high-grade corporate bonds; questions 35 and 36 on lending against equities (including through stock loan); questions 37 through 41 on lending against agency MBS; and questions 42 through 46 on lending against other ABS. If your institution's terms have tightened or eased over the past three months, please so report them regardless of how they stand relative to longer-term norms. Also, please report changes in enforcement of existing policies regarding terms as changes in terms. Please respond "Not applicable" to questions dealing with business areas in which you do not conduct material activities. Please focus your response on dollar-denominated instruments; if material differences exist with respect to instruments denominated in other currencies, please explain in your response to Question 47.

High-Grade Corporate Bonds

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

    A. Terms for average clients:

    1) Maximum amount of funding

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	4	25.0
Remained basically unchanged	9	56.3
Eased somewhat	3	18.8
Eased considerably	0	0.0
Total	**16**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	5	31.3
Remained basically unchanged	8	50.0
Eased somewhat	2	12.5
Eased considerably	1	6.3
Total	**16**	**100.0**

3) Haircuts

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

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	1	6.7
Tightened somewhat	4	26.7
Remained basically unchanged	8	53.3
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

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

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

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

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

7) Covenants and triggers

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

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	4	25.0
Remained basically unchanged	8	50.0
Eased somewhat	4	25.0
Eased considerably	0	0.0
Total	**16**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	1	6.3
Tightened somewhat	3	18.8
Remained basically unchanged	9	56.3
Eased somewhat	2	12.5
Eased considerably	1	6.3
Total	**16**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	13.3
Remained basically unchanged	11	73.3
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	1	6.7
Tightened somewhat	3	20.0
Remained basically unchanged	9	60.0
Eased somewhat	2	13.3
Eased considerably	0	0.0
Total	**15**	**100.0**

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

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

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

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

7) Covenants and triggers

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

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

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	6	35.3
Remained basically unchanged	9	52.9
Decreased somewhat	2	11.8
Decreased considerably	0	0.0
Total	**17**	**100.0**

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

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

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	3	17.6
Remained basically unchanged	10	58.8
Deteriorated somewhat	3	17.6
Deteriorated considerably	1	5.9
Total	**17**	**100.0**

Equities (Including through Stock Loan)

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

A. Terms for average clients:

1) Maximum amount of funding

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	15.8
Remained basically unchanged	12	63.2
Eased somewhat	3	15.8
Eased considerably	1	5.3
Total	**19**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	10.5
Remained basically unchanged	13	68.4
Eased somewhat	3	15.8
Eased considerably	1	5.3
Total	**19**	**100.0**

3) Haircuts

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

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	3	16.7
Remained basically unchanged	11	61.1
Eased somewhat	3	16.7
Eased considerably	1	5.6
Total	**18**	**100.0**

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

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

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

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

7) Covenants and triggers

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

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	3	15.0
Remained basically unchanged	12	60.0
Eased somewhat	4	20.0
Eased considerably	1	5.0
Total	**20**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	10.0
Remained basically unchanged	13	65.0
Eased somewhat	3	15.0
Eased considerably	2	10.0
Total	**20**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	17	85.0
Eased somewhat	1	5.0
Eased considerably	1	5.0
Total	**20**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	3	15.8
Remained basically unchanged	12	63.2
Eased somewhat	3	15.8
Eased considerably	1	5.3
Total	**19**	**100.0**

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

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

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

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

7) Covenants and triggers

	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**

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

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

Agency Residential Mortgage-Backed Securities

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

A. Terms for average clients:

1) Maximum amount of funding

	Number of Respondents	**Percent**
Tightened considerably	1	5.6
Tightened somewhat	3	16.7
Remained basically unchanged	11	61.1
Eased somewhat	3	16.7
Eased considerably	0	0.0
Total	**18**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.6
Remained basically unchanged	13	72.2
Eased somewhat	4	22.2
Eased considerably	0	0.0
Total	**18**	**100.0**

3) Haircuts

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.6
Remained basically unchanged	13	72.2
Eased somewhat	4	22.2
Eased considerably	0	0.0
Total	**18**	**100.0**

4) Financing rate

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	4	22.2
Remained basically unchanged	11	61.1
Eased somewhat	3	16.7
Eased considerably	0	0.0
Total	**18**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.6
Remained basically unchanged	16	88.9
Eased somewhat	1	5.6
Eased considerably	0	0.0
Total	**18**	**100.0**

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

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

7) Covenants and triggers

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

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

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.6
Remained basically unchanged	13	72.2
Eased somewhat	4	22.2
Eased considerably	0	0.0
Total	**18**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.6
Remained basically unchanged	12	66.7
Eased somewhat	5	27.8
Eased considerably	0	0.0
Total	**18**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.6
Remained basically unchanged	13	72.2
Eased somewhat	4	22.2
Eased considerably	0	0.0
Total	**18**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	11.1
Remained basically unchanged	13	72.2
Eased somewhat	3	16.7
Eased considerably	0	0.0
Total	**18**	**100.0**

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

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

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

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

7) Covenants and triggers

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

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

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

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

	Number of Respondents	Percent
Increased considerably	1	5.6
Increased somewhat	6	33.3
Remained basically unchanged	10	55.6
Decreased somewhat	1	5.6
Decreased considerably	0	0.0
Total	**18**	**100.0**

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

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

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	4	22.2
Remained basically unchanged	11	61.1
Deteriorated somewhat	3	16.7
Deteriorated considerably	0	0.0
Total	**18**	**100.0**

Other Asset-Backed Securities

42. Over the past three months, how have the terms under which non-agency ABS are funded changed? Where material differences exist across different types of non-agency ABS, for example, between non-agency RMBS and consumer ABS, please answer with regard to the type of instrument generating the most exposure and explain in your response to Question 47.

A. Terms for average clients:

1) Maximum amount of funding

	Number of Respondents	**Percent**
Tightened considerably	1	8.3
Tightened somewhat	2	16.7
Remained basically unchanged	8	66.7
Eased somewhat	1	8.3
Eased considerably	0	0.0
Total	**12**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	3	25.0
Remained basically unchanged	7	58.3
Eased somewhat	2	16.7
Eased considerably	0	0.0
Total	**12**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	1	8.3
Tightened somewhat	0	0.0
Remained basically unchanged	7	58.3
Eased somewhat	4	33.3
Eased considerably	0	0.0
Total	**12**	**100.0**

4) Financing rate

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	16.7
Remained basically unchanged	7	58.3
Eased somewhat	3	25.0
Eased considerably	0	0.0
Total	**12**	**100.0**

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

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

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	9.1
Remained basically unchanged	10	90.9
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**100.0**

7) Covenants and triggers

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

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

1) Maximum amount of funding

	Number of Respondents	Percent
Tightened considerably	1	7.7
Tightened somewhat	2	15.4
Remained basically unchanged	7	53.8
Eased somewhat	3	23.1
Eased considerably	0	0.0
Total	**13**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	1	7.7
Tightened somewhat	1	7.7
Remained basically unchanged	8	61.5
Eased somewhat	3	23.1
Eased considerably	0	0.0
Total	**13**	**100.0**

3) Haircuts

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	7.7
Remained basically unchanged	8	61.5
Eased somewhat	4	30.8
Eased considerably	0	0.0
Total	**13**	**100.0**

4) Financing rate

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

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

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

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	9.1
Remained basically unchanged	10	90.9
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**100.0**

7) Covenants and triggers

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	10.0
Remained basically unchanged	9	90.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**10**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	7	58.3
Remained basically unchanged	4	33.3
Decreased somewhat	1	8.3
Decreased considerably	0	0.0
Total	**12**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	10	90.9
Decreased somewhat	1	9.1
Decreased considerably	0	0.0
Total	**11**	**100.0**

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

	Number of Respondents	Percent
Improved considerably	0	0.0
Improved somewhat	2	15.4
Remained basically unchanged	6	46.2
Deteriorated somewhat	5	38.5
Deteriorated considerably	0	0.0
Total	**13**	**100.0**

Optional Question

Question 47 requests feedback on any other issues you judge to be important relating to credit terms applicable to securities financing transactions and over-the-counter derivatives contracts, and provides an opportunity for clarification of any earlier responses.[8]

[8] See note 6 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.

48. Relative to the end of 2006, how do you characterize the current stringency of the credit terms applicable at your institution to counterparties of each of the following types, across the entire range of securities financing and over-the-counter derivatives transactions?

A. Hedge funds, private equity firms, and other similar private pools of capital

	Number of Respondents	**Percent**
Sharply tighter	0	0.0
Considerably tighter	6	30.0
Somewhat tighter	13	65.0
Basically unchanged	1	5.0
Looser	0	0.0
Total	**20**	**100.0**

B. Insurance companies, pension funds, and other institutional investors

	Number of Respondents	**Percent**
Sharply tighter	1	5.0
Considerably tighter	3	15.0
Somewhat tighter	12	60.0
Basically unchanged	4	20.0
Looser	0	0.0
Total	**20**	**100.0**

C. Nonfinancial corporations

	Number of Respondents	Percent
Sharply tighter	0	0.0
Considerably tighter	3	15.0
Somewhat tighter	11	55.0
Basically unchanged	6	30.0
Looser	0	0.0
Total	**20**	**100.0**

49. Relative to the end of 2006, how do you characterize the current stringency of the credit terms applicable at your institution to secured funding of the instruments listed below on behalf of clients?

A. High-grade corporate debt

	Number of Respondents	Percent
Sharply tighter	0	0.0
Considerably tighter	1	6.3
Somewhat tighter	14	87.5
Basically unchanged	1	6.3
Looser	0	0.0
Total	**16**	**100.0**

B. Equities (including through stock loan)

	Number of Respondents	Percent
Sharply tighter	1	5.3
Considerably tighter	2	10.5
Somewhat tighter	10	52.6
Basically unchanged	6	31.6
Looser	0	0.0
Total	**19**	**100.0**

C. Agency RMBS

	Number of Respondents	Percent
Sharply tighter	0	0.0
Considerably tighter	3	18.8
Somewhat tighter	11	68.8
Basically unchanged	2	12.5
Looser	0	0.0
Total	**16**	**100.0**

D. Other ABS

	Number of Respondents	Percent
Sharply tighter	3	23.1
Considerably tighter	7	53.8
Somewhat tighter	3	23.1
Basically unchanged	0	0.0
Looser	0	0.0
Total	**13**	**100.0**

50. Relative to the end of 2006, how do you characterize the current stringency of the nonprice credit terms applicable at your institution to over-the-counter derivatives counterparties for trades referencing each of categories listed below?

A. Foreign exchange

	Number of Respondents	Percent
Sharply tighter	1	5.9
Considerably tighter	2	11.8
Somewhat tighter	10	58.8
Basically unchanged	3	17.6
Looser	1	5.9
Total	**17**	**100.0**

B. Interest rates

	Number of Respondents	Percent
Sharply tighter	2	11.8
Considerably tighter	1	5.9
Somewhat tighter	11	64.7
Basically unchanged	3	17.6
Looser	0	0.0
Total	**17**	**100.0**

C. Equities

	Number of Respondents	Percent
Sharply tighter	0	0.0
Considerably tighter	4	25.0
Somewhat tighter	9	56.3
Basically unchanged	3	18.8
Looser	0	0.0
Total	**16**	**100.0**

D. Debt securities (including contracts referencing MBS or ABS)

	Number of Respondents	Percent
Sharply tighter	0	0.0
Considerably tighter	8	53.3
Somewhat tighter	7	46.7
Basically unchanged	0	0.0
Looser	0	0.0
Total	**15**	**100.0**

E. Commodities

	Number of Respondents	Percent
Sharply tighter	0	0.0
Considerably tighter	2	14.3
Somewhat tighter	10	71.4
Basically unchanged	2	14.3
Looser	0	0.0
Total	**14**	**100.0**

F. Total return swaps referencing nonsecurities (such as bank debt and whole loans)

	Number of Respondents	Percent
Sharply tighter	1	8.3
Considerably tighter	4	33.3
Somewhat tighter	6	50.0
Basically unchanged	1	8.3
Looser	0	0.0
Total	**12**	**100.0**