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Senior Credit Officer Opinion Survey on Dealer Financing Terms

June 2012

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

Summary

The June 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 a set of special questions about derivatives prime brokerage, a second set of special questions focused on bilateral repurchase agreements (repos), and a final set of special questions regarding the appetite of institutional investors for credit and duration risk. The 22 institutions participating in the survey account for almost all of the dealer financing of dollar-denominated securities for nondealers and are the most active intermediaries in OTC derivatives markets. The survey was conducted during the period from May 22, 2012, to June 4, 2012. The core questions ask about changes between March 2012 and May 2012.

Responses to the June survey indicated little change, on balance, in credit terms applicable to important classes of counterparties over the past three months. Viewed in conjunction with similar responses to the March survey, the results suggest that these terms have been generally stable since the beginning of the year. However, about one-half of firms, on net, reported an increase in the amount of resources and attention devoted to the management of concentrated exposures to dealers and other financial intermediaries, and about two-thirds of respondents noted such an increase with respect to central counterparties and other financial utilities.[1] About one-fourth of respondents indicated that the use of financial leverage by hedge funds had decreased somewhat during the past three months. The use of financial leverage by trading real estate investment trusts (REITs), mutual funds, exchange-traded funds (ETFs), pension funds and endowments, and insurance companies remained basically unchanged.[2] Notable net fractions of dealers reported that the provision of differential terms to most-favored hedge funds and trading REITs had increased over the past three months.

[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").

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

As in the March survey, respondents indicated that nonprice terms incorporated in new or renegotiated OTC derivatives master agreements were broadly unchanged during the past three months. Dealers also reported that initial margin requirements, which fall outside the scope of the master agreements, were little changed over the same period. However, almost one-fifth of respondents indicated that the posting of nonstandard collateral (that is, other than cash and U.S. Treasury securities) permitted under relevant agreements had increased somewhat.

With regard to securities financing, survey respondents indicated that the credit terms applicable to the securities types included in the survey were generally little changed, on balance, over the past three months. Modest net fractions of dealers noted that the demand for funding of high-grade and high-yield corporate bonds as well as non-agency residential mortgage-backed securities (RMBS) had increased over the past three months. Dealers reported a much more pronounced increase in demand for funding of agency RMBS with almost one-half of respondents pointing to an increase. Modest net fractions of respondents also reported an increase in demand for term funding with a maturity greater than 30 days for both agency and non-agency RMBS. In contrast to the improvement reported in the March survey, responses to the June survey suggested that liquidity and functioning in the underlying asset markets for most collateral types covered by the survey had remained basically unchanged over the past three months.

In response to special questions on derivatives prime brokerage, about one-third of survey respondents indicated that the fraction of new client OTC derivatives trades cleared through derivatives prime brokerage arrangements had increased over the past year.[3] Nonetheless, most respondents indicated that, at present, the fraction of new client OTC derivatives trades cleared through derivatives prime brokerage arrangements was 10 percent or less. With regard to clients using derivatives prime brokerage arrangements, about one-third of respondents indicated that the fraction of clients with such agreements in place had increased somewhat over the past year. However, nearly four-fifths of dealers noted that, at present, less than 10 percent of clients had such agreements in place.

A second set of special questions asked about bilateral repos. A majority of respondents reported that the volume of financing provided to clients through bilateral repos for almost all types of collateral considered in the survey was little changed over the past year. Of note, however, about one-third of respondents, on net, indicated an increase in the volume of such funding provided for non-agency RMBS, and one-fifth

[3] "Derivatives prime brokerage" refers to arrangements where a hedge fund or another client negotiates derivatives trades with multiple dealers that are subsequently "given up" for clearance to one (or more) dealers. As a result, the client faces a smaller number of dealers as its OTC derivatives counterparties but retains the flexibility to trade with the entire population of dealers. These arrangements may allow more-efficient use of collateral—for example, because a dealer offering derivatives prime brokerage computes requirements based on portfolio risk measures that recognize risk-reduction benefits from offsetting trades—as well as offer certain operational advantages.

pointed to an increase in funding for agency RMBS and U.S. Treasury collateral. The fraction of bilateral repo funding currently provided to clients, rather than to other dealers or financial intermediaries, varied significantly across firms.

A final set of special questions queried dealers about changes in the appetite of institutional investors for credit risk and duration risk over the past year. With respect to credit risk, nearly one-fifth of dealers, on net, indicated an increase in appetite to take on such risk on the part of mutual funds, pension plans, endowments, and insurance companies. With respect to duration risk, about one-fourth and one-fifth of dealers, on net, pointed to increased appetite to take on such risk on the part of insurance companies and pension funds, respectively.

Counterparty Types

(Questions 1–40)

Dealers and other financial intermediaries. In the June survey, about one-half of respondents indicated that the amount of resources and attention devoted to management of concentrated credit exposure to dealers and other financial intermediaries had increased over the past three months. In the March survey, about one-third of respondents, on net, had reported such an increase.

Central counterparties and other financial utilities. About two-thirds of dealers indicated that the amount of resources and attention devoted to management of concentrated exposures to central counterparties and other financial utilities had increased over the past three months. This fraction is somewhat higher than that in the previous survey but similar to that in the December survey.

Hedge funds. As in March, the responses to the June survey indicated that price and nonprice terms applicable to hedge funds across the spectrum of securities financing and OTC derivatives transactions were little changed over the past three months. Only a small number of dealers reported having changed somewhat price terms (such as financing rates) or nonprice terms (including haircuts, maximum maturity, covenants, cure periods, cross-default provisions, or other documentation features) offered to hedge funds, with some dealers reporting a tightening and others reporting an easing of credit terms. The few institutions that reported an easing of credit terms most frequently pointed to more-aggressive competition from other institutions, and the most important reason cited by the few respondents that reported a tightening was a worsening in general market liquidity and functioning. Only about one-fourth of dealers, a significantly smaller fraction than in the March survey, noted an increase in the intensity of efforts by hedge funds to negotiate more-favorable price and nonprice terms over the past three months. Despite credit terms that were said to be little changed, about one-fourth of respondents—a slightly larger fraction than in March—suggested that the use of financial leverage by hedge funds had decreased somewhat over the past three months. A vast majority of dealers noted that the availability of additional financial leverage under agreements currently in place with hedge funds had remained basically unchanged. About one-fifth of respondents, on net, indicated that the provision of differential terms to most-favored hedge funds had increased somewhat over the past three months.

Trading real estate investment trusts. Although a large majority of respondents reported that price and nonprice terms offered to trading REITs had remained basically unchanged over the past three months, a modest net fraction of dealers noted a tightening of price terms offered to these counterparties. One-third of respondents reported that the intensity of efforts by trading REITs to negotiate more-favorable price and nonprice terms had increased over the same period, and about one-fourth of dealers indicated an increase in the provision of differential terms to most-favored clients of this type. Finally, the reported use of financial leverage by trading REITs remained basically unchanged.

Mutual funds, exchange-traded funds, pension plans, and endowments. As in March, the responses to the June survey suggested that, on balance, there had been little change in the price and nonprice terms offered to mutual funds, ETFs, pension plans, and endowments during the past three months. Of note, about one-fourth of respondents stated that the intensity of efforts by clients in this category to negotiate more-favorable credit terms had increased somewhat over the same period. Both the provision of differential terms to most-favored mutual funds, ETFs, pension plans, and endowments as well as the use of financial leverage by clients of this type remained basically unchanged.

Insurance companies. Dealers reported in the June survey, as they had in March, that price and nonprice terms applicable to insurance companies had remained basically unchanged over the past three months despite an apparent continued increase in the intensity of efforts by such clients to negotiate more-favorable credit terms. The use of financial leverage by clients of this type also remained basically unchanged.

Separately managed accounts established with investment advisers. Nearly all of the dealers indicated that nonprice terms negotiated by investment advisers on behalf of separately managed accounts were basically unchanged over the past three months. A few respondents suggested that price terms had eased, with the most important reason cited for such changes being more-aggressive competition from other institutions. The reported intensity of efforts by such clients to negotiate more-favorable credit terms and the use of financial leverage were little changed.

Nonfinancial corporations. Survey respondents reported that, on balance, price and nonprice terms offered to nonfinancial corporations had remained basically unchanged, on net, over the past three months. About one-fifth of respondents, however, indicated that the intensity of efforts by nonfinancial corporations to negotiate more-favorable terms had increased somewhat.

Mark and collateral disputes. Most respondents 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.

Over-the-Counter Derivatives

(Questions 41–51)

As in the March survey, dealers reported that nonprice terms incorporated in new or renegotiated OTC derivatives master agreements were broadly unchanged over the past three months.[4] A few respondents, on net, indicated that they had tightened requirements, timelines, and thresholds for posting additional margin, and a few noted that they had eased with respect to other documentation features, such as cure periods and cross-default provisions as well as acceptable collateral requirements. Nearly all of the survey respondents noted that initial margins (which fall outside the scope of master agreements) on contracts referencing most underlying collateral types were basically unchanged over the past three months. About one-fifth of respondents, on net, indicated that the posting of nonstandard collateral (that is, other than cash and U.S. Treasury securities) permitted under relevant agreements had increased somewhat. For most contract types included in the survey, almost all of the dealers reported that the volume, duration, and persistence of mark and collateral disputes remained basically unchanged over the past three months. However, a few respondents, on net, indicated that the volume of disputes with regard to contracts referencing foreign exchange and equities had decreased.

Securities Financing

(Questions 52–79)[5]

Respondents indicated 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.

Almost one-half of dealers reported an increase in demand for funding of agency RMBS over the past three months, and almost one-third of respondents noted greater demand for term funding of this collateral type—that is, funding with a maturity of 30 days or more. In addition, nearly one-fifth of dealers, on net, noted that overall demand for funding had increased for high-grade and high-yield corporate bonds, and that both overall funding demand and demand for term funding had increased for non-agency RMBS over the same period.

[4] 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.

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

In contrast to the March survey, which pointed to an improvement in liquidity and functioning in the underlying markets in which the various specified collateral types are traded, dealers reported in June that conditions in these markets had remained basically unchanged.[6] As in the March survey, nearly all of the respondents reported that the volume, duration, and persistence of mark and collateral disputes were basically unchanged for all collateral types.

Special Questions on Derivatives Prime Brokerage
(Questions 81–84)

Derivatives prime brokerage arrangements have been cited as potentially reducing the total notional value of outstanding OTC derivatives transactions, including those types that would likely not be centrally cleared in the foreseeable future, with consequent benefits that include efficiencies in collateral management and reduction of operational risks.[7] A special question asked about changes over the past year in the fraction of new client OTC derivatives trades cleared through derivatives prime brokerage arrangements. About one-third of survey respondents indicated that the fraction of such trades had increased over the past year, and the remainder suggested that the fraction had remained basically unchanged. A vast majority of respondents reported that, at present, the fraction of new client trades cleared through derivatives prime brokerage arrangements was about 10 percent or less. The remaining special questions on derivatives prime brokerage focused on the number of clients with derivatives prime brokerage arrangements in place rather than the volume of trades cleared through such arrangements. About one-third of respondents indicated that the fraction of such clients had increased over the past year, and the remainder of dealers reported that the fraction had remained basically unchanged. About three-fourths of dealers indicated that, at present, the fraction of clients using derivatives prime brokerage agreements was about 10 percent or less.

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[6] Note that survey respondents are instructed to report changes in liquidity and functioning in the market for the underlying collateral to be funded through repos 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.

[7] Derivatives prime brokerage arrangements can significantly reduce the number of outstanding OTC contracts insofar as the client—typically a hedge fund—effectively is left, after the novation of trades, facing only the dealer functioning as its derivatives prime broker. The derivatives prime broker, in turn, faces all of the other dealers with whom the client entered trades. However, because the derivatives prime broker typically has many trades in place with the other major dealers, with some transactions offsetting in full or in part other transactions economically, there are significant opportunities to reduce what are generally very large gross exposures to much smaller net exposures, a process sometimes referred to as compression. Several service providers now offer dealers tools to aid in the efficient compression of OTC derivatives exposures, including those stemming from serving as a derivatives prime broker.

Special Questions on Bilateral Repurchase Agreements
(Questions 85–86)

Repos that are settled bilaterally (and not through the triparty mechanism involving a clearing bank) reportedly represent an important share of the secured funding provided by dealers to hedge funds and similar types of clients. The first special question asked about changes over the past year in the volume of financing provided through bilateral repos for a number of collateral types. About two-thirds of dealers indicated that the volume of bilateral repo funding they provided over this horizon had remained basically unchanged for high-grade corporate bonds, high-yield corporate bonds, commercial mortgage-backed securities, and sovereigns other than U.S. Treasury securities. For agency RMBS, non-agency RMBS, municipal securities, and U.S. Treasury securities, net fractions of respondents ranging between 20 and 35 percent reported an increase. When asked about the fraction of bilateral repo funding currently provided to clients rather than to other dealers and financial intermediaries, responses varied widely. About 20 percent of respondents indicated that the fraction was below 20 percent, about 60 percent of dealers indicated that the fraction was between 20 and 80 percent, and about 20 percent of respondents placed it between 80 and 96 percent.

Special Questions on Appetite of Institutional Investors for Credit and Duration Risk
(Questions 87–88)

The current environment of very low interest rates has reportedly posed particular challenges to investors who, because of their investment mandates or liability structure, effectively have nominal return targets. Some commentators have suggested that these investors might respond, at least in part, by taking on additional credit risk (for example, by purchasing securities that entail greater expected default risk) or duration risk (for example, by purchasing securities with greater duration). The last set of special questions queried dealers about the appetite of institutional investors to take on credit and duration risk over the past year. Nearly one-fifth of dealers, on net, reported an increase in appetite to assume credit risk on the part of all specified types of clients—that is, mutual funds, pension plans, endowments, and insurance companies. With respect to duration risk, about one-fourth and one-fifth of dealers, on net, pointed to increased appetite to take on such risk on the part of insurance companies and pension plans, respectively. By contrast, respondents noted little change in appetite on the part of other specified types of institutional investors.

This document was prepared by Pawel Szerszen, 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.

Results of the June 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	3	13.6
Increased somewhat	7	31.8
Remained basically unchanged	12	54.5
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	12	54.5
Remained basically unchanged	7	31.8
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	7	31.8
To a minimal extent	10	45.5
Not at all	5	22.7
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	3	13.6
Remained basically unchanged	17	77.3
Eased somewhat	2	9.1
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	3	13.6
Remained basically unchanged	15	68.2
Eased somewhat	4	18.2
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	2	100.0
Third in importance	0	0.0
Total	**2**	**100.0**

2) Reduced willingness of your institution to take on risk

	Number of Respondents	**Percent**
First in importance	1	33.3
Second in importance	0	0.0
Third in importance	2	66.7
Total	**3**	**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	1	50.0
Second in importance	0	0.0
Third in importance	1	50.0
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	1	100.0
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	2	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**2**	**100.0**

7) Less-aggressive competition from other institutions

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

7) More-aggressive competition from other institutions

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

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	6	27.3
Remained basically unchanged	16	72.7
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	0	0.0
Remained basically unchanged	17	77.3
Decreased somewhat	5	22.7
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	1	4.5
Remained basically unchanged	20	90.9
Decreased somewhat	1	4.5
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	6	27.3
Remained basically unchanged	15	68.2
Decreased somewhat	1	4.5
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	4	23.5
Remained basically unchanged	12	70.6
Eased somewhat	1	5.9
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	3	16.7
Remained basically unchanged	11	61.1
Eased somewhat	4	22.2
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	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	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	0	0.0
Third in importance	1	50.0
Total	**2**	**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	2	66.7
Second in importance	0	0.0
Third in importance	1	33.3
Total	**3**	**100.0**

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	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	2	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**2**	**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	1	100.0
Total	**1**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	2	66.7
Second in importance	1	33.3
Third in importance	0	0.0
Total	**3**	**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	6	33.3
Remained basically unchanged	12	66.7
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	1	4.5
Remained basically unchanged	21	95.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**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	5	27.8
Remained basically unchanged	13	72.2
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	0	0.0
Remained basically unchanged	20	90.9
Eased somewhat	2	9.1
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	0	0.0
Remained basically unchanged	20	90.9
Eased somewhat	2	9.1
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	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	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	1	100.0
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	3	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**3**	**100.0**

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	5	22.7
Remained basically unchanged	17	77.3
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	0	0.0
Remained basically unchanged	22	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**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	0	0.0
Remained basically unchanged	22	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

D. Endowments

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	22	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**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	0	0.0
Remained basically unchanged	22	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**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	0	0.0
Remained basically unchanged	21	100.0
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	20	95.2
Eased somewhat	1	4.8
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	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	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

7) More-aggressive competition from other institutions

	Number of Respondents	Percent
First in importance	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	4	19.0
Remained basically unchanged	17	81.0
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	1	4.8
Remained basically unchanged	20	95.2
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	0	0.0
Increased somewhat	4	19.0
Remained basically unchanged	16	76.2
Decreased somewhat	1	4.8
Decreased considerably	0	0.0
Total	**21**	**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	18	85.7
Eased somewhat	3	14.3
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	1	4.8
Remained basically unchanged	18	85.7
Eased somewhat	2	9.5
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	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	3	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**3**	**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	3	14.3
Remained basically unchanged	17	81.0
Decreased somewhat	1	4.8
Decreased considerably	0	0.0
Total	**21**	**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	19	90.5
Decreased somewhat	2	9.5
Decreased considerably	0	0.0
Total	**21**	**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	4.8
Remained basically unchanged	19	90.5
Decreased somewhat	1	4.8
Decreased considerably	0	0.0
Total	**21**	**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	17	77.3
Eased somewhat	3	13.6
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	1	4.5
Remained basically unchanged	21	95.5
Eased somewhat	0	0.0
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	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	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	0	0.0
Second in importance	1	100.0
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	1	100.0
Total	**1**	**100.0**

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	50.0
Second in importance	0	0.0
Third in importance	1	50.0
Total	**2**	**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	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

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**

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	4	18.2
Remained basically unchanged	18	81.8
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	4	18.2
Remained basically unchanged	16	72.7
Decreased somewhat	1	4.5
Decreased considerably	1	4.5
Total	**22**	**100.0**

B. Hedge funds

	Number of Respondents	**Percent**
Increased considerably	1	4.5
Increased somewhat	2	9.1
Remained basically unchanged	17	77.3
Decreased somewhat	2	9.1
Decreased considerably	0	0.0
Total	**22**	**100.0**

C. Trading REITs

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

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

	Number of Respondents	**Percent**
Increased considerably	1	4.8
Increased somewhat	1	4.8
Remained basically unchanged	18	85.7
Decreased somewhat	1	4.8
Decreased considerably	0	0.0
Total	**21**	**100.0**

E. Insurance companies

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

G. Nonfinancial corporations

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	19	90.5
Decreased somewhat	1	4.8
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	1	4.5
Increased somewhat	2	9.1
Remained basically unchanged	18	81.8
Decreased somewhat	0	0.0
Decreased considerably	1	4.5
Total	**22**	**100.0**

B. Hedge funds

	Number of Respondents	Percent
Increased considerably	1	4.5
Increased somewhat	1	4.5
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	16	94.1
Decreased somewhat	1	5.9
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	2	9.5
Remained basically unchanged	19	90.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**100.0**

E. Insurance companies

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	4.5
Remained basically unchanged	20	90.9
Decreased somewhat	0	0.0
Decreased considerably	1	4.5
Total	**22**	**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	21	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**21**	**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**

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 client 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	17	81.0
Eased somewhat	1	4.8
Eased considerably	0	0.0
Total	**21**	**100.0**

B. Acceptable collateral

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	17	81.0
Eased somewhat	4	19.0
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	1	5.3
Remained basically unchanged	17	89.5
Eased somewhat	1	5.3
Eased considerably	0	0.0
Total	**19**	**100.0**

D. Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	4.8
Remained basically unchanged	18	85.7
Eased somewhat	2	9.5
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	1	4.8
Remained basically unchanged	17	81.0
Eased somewhat	3	14.3
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	5.0
Remained basically unchanged	18	90.0
Decreased somewhat	1	5.0
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	1	5.0
Remained basically unchanged	19	95.0
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	2	10.0
Remained basically unchanged	18	90.0
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**

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	5.6
Remained basically unchanged	17	94.4
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**

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	16	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**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	15	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**15**	**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	0	0.0
Remained basically unchanged	13	100.0
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	13	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**13**	**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	16	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**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	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**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	12	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**12**	**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	4	18.2
Remained basically unchanged	18	81.8
Decreased somewhat	0	0.0
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	1	5.3
Remained basically unchanged	15	78.9
Decreased somewhat	1	5.3
Decreased considerably	2	10.5
Total	**19**	**100.0**

B. Interest rate

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.0
Remained basically unchanged	18	90.0
Decreased somewhat	1	5.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

C. Equity

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

D. Credit referencing corporates

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

E. Credit referencing securitized products including MBS and ABS

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

F. Commodity

	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**

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	14	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**14**	**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	1	5.6
Remained basically unchanged	16	88.9
Decreased somewhat	1	5.6
Decreased considerably	0	0.0
Total	**18**	**100.0**

B. Interest rate

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

D. Credit referencing corporates

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

F. Commodity

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

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	13	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**13**	**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	1	5.6
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	1	5.6
Remained basically unchanged	17	94.4
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	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	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	3	16.7
Remained basically unchanged	15	83.3
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	1	5.6
Remained basically unchanged	17	94.4
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**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	1	5.6
Remained basically unchanged	16	88.9
Deteriorated somewhat	1	5.6
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	0	0.0
Tightened somewhat	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

2) 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	1	6.7
Remained basically unchanged	14	93.3
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	2	14.3
Remained basically unchanged	12	85.7
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

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

1) Maximum amount of funding

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

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	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	1	7.1
Remained basically unchanged	13	92.9
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**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	3	18.8
Remained basically unchanged	13	81.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**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	1	6.3
Remained basically unchanged	15	93.8
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	1	6.3
Remained basically unchanged	13	81.3
Deteriorated somewhat	2	12.5
Deteriorated considerably	0	0.0
Total	**16**	**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	2	9.5
Remained basically unchanged	18	85.7
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	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	1	4.8
Remained basically unchanged	19	90.5
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	4	18.2
Remained basically unchanged	15	68.2
Decreased somewhat	3	13.6
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	2	10.0
Remained basically unchanged	17	85.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	**20**	**100.0**

2) Maximum maturity

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

3) Haircuts

	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**

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	3	15.8
Remained basically unchanged	16	84.2
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**19**	**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	2	10.5
Remained basically unchanged	15	78.9
Eased somewhat	2	10.5
Eased considerably	0	0.0
Total	**19**	**100.0**

2) Maximum maturity

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	16	84.2
Eased somewhat	3	15.8
Eased considerably	0	0.0
Total	**19**	**100.0**

3) Haircuts

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

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

	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**

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	9	45.0
Remained basically unchanged	11	55.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**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	6	30.0
Remained basically unchanged	14	70.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**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	1	5.0
Remained basically unchanged	17	85.0
Deteriorated somewhat	2	10.0
Deteriorated considerably	0	0.0
Total	**20**	**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	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

    2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	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	1	6.7
Remained basically unchanged	14	93.3
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	3	20.0
Remained basically unchanged	12	80.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**15**	**100.0**

2) Maximum maturity

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

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	1	6.7
Remained basically unchanged	14	93.3
Eased somewhat	0	0.0
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	18.8
Remained basically unchanged	13	81.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**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	4	25.0
Remained basically unchanged	11	68.8
Decreased somewhat	1	6.3
Decreased considerably	0	0.0
Total	**16**	**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	1	6.7
Remained basically unchanged	13	86.7
Deteriorated somewhat	1	6.7
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	1	7.7
Remained basically unchanged	12	92.3
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	1	7.7
Remained basically unchanged	12	92.3
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	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	1	7.7
Remained basically unchanged	12	92.3
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	1	7.7
Remained basically unchanged	12	92.3
Eased somewhat	0	0.0
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	0	0.0
Remained basically unchanged	12	92.3
Decreased somewhat	1	7.7
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	0	0.0
Remained basically unchanged	13	100.0
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	1	7.7
Remained basically unchanged	10	76.9
Deteriorated somewhat	2	15.4
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	12	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**12**	**100.0**

2) Maximum maturity

	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**

3) Haircuts

	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**

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

	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	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**

2) Maximum maturity

	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**

3) Haircuts

	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**

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	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**12**	**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	12	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**12**	**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	0	0.0
Remained basically unchanged	12	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**12**	**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	2	16.7
Remained basically unchanged	9	75.0
Deteriorated somewhat	1	8.3
Deteriorated considerably	0	0.0
Total	**12**	**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	18	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

D. Agency RMBS

	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. 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	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	19	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

D. Agency RMBS

	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. 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.[8]

[8] See note 5 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.

Derivatives Prime Brokerage

81. Over the past year, how has the fraction of new client OTC derivatives trades booked by your institution that are cleared through derivatives prime brokerage arrangements changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	8	36.4
Remained basically unchanged	14	63.6
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

82. At present, about what fraction of new client OTC derivatives trades booked by your institution is cleared through derivatives prime brokerage arrangements?

	Number of Respondents	**Percent**
Less than 10 percent	18	81.8
Between 10 percent and 30 percent	2	9.1
Between 30 percent and 50 percent	1	4.5
Between 50 percent and 70 percent	0	0.0
Between 70 percent and 90 percent	1	4.5
Greater than 90 percent	0	0.0
Total	**22**	**100.0**

83. Over the past year, how has the fraction of your institution's clients using derivatives prime brokerage arrangements changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	8	36.4
Remained basically unchanged	14	63.6
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**22**	**100.0**

84. At present, about what fraction of your institution's clients use derivatives prime brokerage agreements?

	Number of Respondents	**Percent**
Less than 10 percent	17	77.3
Between 10 percent and 30 percent	4	18.2
Between 30 percent and 50 percent	1	4.5
Between 50 percent and 70 percent	0	0.0
Between 70 percent and 90 percent	0	0.0
Greater than 90 percent	0	0.0
Total	**22**	**100.0**

Bilateral Repurchase Agreements

85. Over the past year, how has the volume of financing that your institution provides to clients through bilateral repurchase agreements for each of the following collateral types changed?

A. High-grade corporate bonds

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	25.0
Remained basically unchanged	10	62.5
Decreased somewhat	1	6.3
Decreased considerably	1	6.3
Total	**16**	**100.0**

B. High-yield corporate bonds

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	18.8
Remained basically unchanged	10	62.5
Decreased somewhat	2	12.5
Decreased considerably	1	6.3
Total	**16**	**100.0**

C. Agency RMBS

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

D. Non-agency RMBS

	Number of Respondents	Percent
Increased considerably	1	7.1
Increased somewhat	6	42.9
Remained basically unchanged	5	35.7
Decreased somewhat	2	14.3
Decreased considerably	0	0.0
Total	**14**	**100.0**

E. CMBS

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	23.1
Remained basically unchanged	8	61.5
Decreased somewhat	2	15.4
Decreased considerably	0	0.0
Total	**13**	**100.0**

F. Nonsecurities (for example, whole loans)

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	7	87.5
Decreased somewhat	1	12.5
Decreased considerably	0	0.0
Total	**8**	**100.0**

G. Municipal securities

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

H. U.S. Treasury securities

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	8	40.0
Remained basically unchanged	8	40.0
Decreased somewhat	4	20.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

I. Other sovereigns

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	3	17.6
Remained basically unchanged	11	64.7
Decreased somewhat	2	11.8
Decreased considerably	1	5.9
Total	**17**	**100.0**

86. At present, about what fraction of the overall volume of funding that your institution provides through bilateral repurchase agreements involves the provision of financing to clients rather than to dealers or other financial intermediaries?

	Number of Respondents	Percent
Less than 20 percent	4	18.2
Between 20 percent and 40 percent	5	22.7
Between 40 percent and 60 percent	5	22.7
Between 60 percent and 80 percent	4	18.2
Between 80 percent and 96 percent	4	18.2
Essentially all funding	0	0.0
Total	**22**	**100.0**

Appetite of Institutional Investors for Credit and Duration Risk

87. Over the past year, how has the appetite to take on credit risk (for example, by purchasing securities that entail greater expected default risk) of your institution's clients of each of the following types changed?

A. Mutual funds

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	3	14.3
Remained basically unchanged	18	85.7
Decreased somewhat	0	0.0
Decreased substantially	0	0.0
Total	**21**	**100.0**

B. Pension plans

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	4	18.2
Remained basically unchanged	18	81.8
Decreased somewhat	0	0.0
Decreased substantially	0	0.0
Total	**22**	**100.0**

C. Endowments

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

D. Insurance companies

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	5	22.7
Remained basically unchanged	16	72.7
Decreased somewhat	1	4.5
Decreased substantially	0	0.0
Total	**22**	**100.0**

88. Over the past year, how has the appetite to take on duration risk (for example, by purchasing securities with greater duration) of your institution's clients of each of the following types changed?

A. Mutual funds

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	4	18.2
Remained basically unchanged	16	72.7
Decreased somewhat	2	9.1
Decreased substantially	0	0.0
Total	**22**	**100.0**

B. Pension plans

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	5	22.7
Remained basically unchanged	16	72.7
Decreased somewhat	1	4.5
Decreased substantially	0	0.0
Total	**22**	**100.0**

C. Endowments

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	4	19.0
Remained basically unchanged	15	71.4
Decreased somewhat	2	9.5
Decreased substantially	0	0.0
Total	**21**	**100.0**

D. Insurance companies

	Number of Respondents	Percent
Increased substantially	0	0.0
Increased somewhat	8	36.4
Remained basically unchanged	12	54.5
Decreased somewhat	2	9.1
Decreased substantially	0	0.0
Total	**22**	**100.0**