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Senior Credit Officer Opinion Survey on Dealer Financing Terms

March 2012

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

Summary

The March 2012 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 special question about changes in risk appetite exhibited by different client types, a second special question that focused on efforts by clients to negotiate third-party custody of independent amounts (initial margin) and collateral, and a final set of special questions regarding recent developments in securities lending. The 20 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 February 14, 2012, to February 27, 2012. The core questions asked about changes between December 2011 and February 2012.

Responses to the March survey indicated little change, on balance, in credit terms applicable to important classes of counterparties over the past three months, in contrast to the broad but moderate tightening reported in the December 2011 survey. About one-third 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.[1] In the previous survey, all but two respondents had noted such an increase. More than one-half of respondents reported an increase in the intensity of efforts by hedge funds to negotiate more-favorable credit terms over the past three months, and a moderate net fraction of dealers noted such an increase in efforts also on the part of mutual funds, exchange-traded funds (ETFs), pension plans, and endowments. On net, one-fifth of respondents, a smaller share than in the previous survey, suggested that the use of financial leverage by hedge funds had decreased somewhat during the past three months. In contrast, a small net fraction of dealers pointed to an increase in the

[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").

amount of leverage used by trading real estate investment trusts (REITs).[2] In response to a special question on client risk appetite, survey respondents indicated that the risk appetite of most client types included in the survey was little changed since the beginning of 2012. However, one-fifth of dealers, on net, reported that the risk appetite of most-favored hedge funds had increased somewhat during that period.

With respect to OTC derivatives, respondents to the March survey indicated that nonprice terms incorporated in new or renegotiated OTC derivatives master agreements were, for the most part, little changed during the past three months. Dealers also reported that initial margin requirements, which fall outside the scope of master agreements, were largely unchanged over the same period. However, a modest net percentage 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.

Moderate net fractions of dealers reported that both overall demand for funding as well as demand for term funding with a maturity greater than 30 days had generally increased over the same period. Moreover, dealers noted that liquidity and functioning in the underlying asset markets had improved across all collateral types covered in the survey.

A special question asked about changes in the past six months in the intensity of efforts by clients to negotiate arrangements for the custody by third parties of collateral and margin posted to the respondent's institution to provide additional protection in the event that the dealer faces distress. Two-thirds of respondents, on net, pointed to an increase in such efforts, with a couple of dealers noting that these efforts had increased considerably.

A final set of special questions focused on recent developments in securities lending. One-fourth of respondents reported an increase over the past six months in the amount of resources and attention devoted to the management of credit exposure related to their posting of collateral pursuant to securities borrowed (to facilitate their own trading activities or on behalf of prime brokerage or other clients). Survey respondents indicated significant heterogeneity, as of the beginning of 2012, in the share of the dollar volume of collateral posted pursuant to securities borrowed that consisted of cash collateral; a modest fraction of dealers reported an increase in the share of noncash collateral (that is, securities) over the past six months. Finally, four-fifths of respondents noted that securities lending programs administered by custodian banks or other agents were the largest source, by volume, of borrowed securities as of the beginning of 2012.

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

Counterparty Types

(Questions 1–40)

Dealers and other financial intermediaries. In the March survey, about one-third of respondents, on net, 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 December survey, all but two respondents reported such an increase.

Central counterparties and other financial utilities. More than one-half of dealers indicated that the amount of resources and attention devoted to management of concentrated credit exposures to central counterparties and other financial utilities had increased over the past three months. This fraction is similar to that observed in the previous two surveys, and it is consistent with other indications that changes in market conventions and practices associated with the increased clearing of OTC derivatives trades mandated by the Dodd–Frank Wall Street Reform and Consumer Protection Act continue to be a focus for risk managers at dealer firms.

Hedge funds. The survey responses suggested that price and nonprice terms applicable to hedge funds were little changed, on balance, over the past three months. Only a few dealers reported having eased 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 across the spectrum of securities financing and OTC derivatives transactions. The few institutions that reported an easing of credit terms pointed to more-aggressive competition from other institutions and an improvement in general market liquidity and functioning as the reasons for doing so. More than one-half of dealers, a larger fraction than in December, reported 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, one-fifth of respondents—a smaller net share than in the December survey—suggested that the use of financial leverage by hedge funds, considering the entire range of transactions facilitated, had decreased somewhat over the past three months. A similar fraction of dealers noted that the availability of additional financial leverage under agreements currently in place with hedge funds had also decreased somewhat. Finally, a modest net fraction of respondents indicated that the provision of differential terms to most-favored hedge funds had increased somewhat over the past three months.

For the remaining counterparty types included in the survey, and discussed in more detail below, nearly all of the dealers reported that applicable price and nonprice terms were little changed during the past three months. However, the few dealers that did report a change in credit terms tended to point to an easing of terms.[3]

Trading real estate investment trusts. Nearly all of the survey 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 indicated that the use of financial leverage by trading REITs had increased somewhat over the same period.

Mutual funds, exchange-traded funds, pension plans, and endowments. The survey responses suggested that, on balance, there had been little change in price and nonprice terms offered to mutual funds, ETFs, pension plans, and endowments during the past three months. Of note, one-third 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. A modest net fraction of respondents indicated that the provision of differential terms to most-favored mutual funds, ETFs, pension plans, and endowments had increased somewhat over the past three months.

Insurance companies. Dealers reported that price and nonprice terms applicable to insurance companies had remained basically unchanged over the past three months despite a continued increase in the intensity of efforts by such clients to negotiate more-favorable credit terms.

Separately managed accounts established with investment advisers. Nearly all of the dealers indicated that price and nonprice terms negotiated by investment advisers on behalf of separately managed accounts were basically unchanged during the past three months. A couple of respondents noted an increase in the intensity of efforts by such clients to negotiate more-favorable credit terms.

Nonfinancial corporations. Survey respondents reported that, on balance, price and nonprice terms offered to nonfinancial corporations had changed little over the past three months. One-fourth of respondents, however, indicated that the intensity of efforts by nonfinancial corporations to negotiate more-favorable terms had increased somewhat over the past three months.

Mark and collateral disputes. Nearly all of the respondents stated that the volume, duration, and persistence of mark and collateral disputes with each counterparty type included in the survey were basically unchanged over the past three months.

[3] One or more dealers reported an easing of price or nonprice credit terms for trading REITs, separately managed accounts established with investment advisers, and nonfinancial corporations, as well as mutual funds, ETFs, pension plans, and endowments.

Over-the-Counter Derivatives
(Questions 41–51)

As in the December survey, dealers reported that nonprice terms incorporated in new or renegotiated OTC derivatives master agreements were broadly unchanged over the past three months.[4] However, a few respondents indicated that they had tightened requirements, timelines, and thresholds for posting additional margins, and that they had tightened triggers and covenants in master agreements. 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 for both average and most-favored clients. A modest net fraction 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. 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.

Securities Financing
(Questions 52–79)[5]

Respondents indicated that credit terms under which most types of securities included in the survey are financed were little changed, on balance, over the past three months. Where changes in credit terms were reported, however, movements in both directions were evident. Of note, small net fractions of dealers indicated that credit terms had eased for high-grade corporate bonds, while similar small net percentages reported a tightening of credit terms applicable to the financing of agency and non-agency residential mortgage-backed securities. Overall, the changes in credit terms that dealers reported in this survey differed little between average and most-favored clients.

Moderate net fractions of dealers noted that both overall demand for funding and demand for term funding with a maturity greater than 30 days had generally increased for the types of securities included in the survey.

Dealers also generally indicated that liquidity and functioning in the underlying asset markets for the collateral types covered by the survey had improved over the past three months.[6] Of note, significant net fractions of respondents pointed to an

[4] The survey asks specifically about requirements, timelines, and thresholds for posting additional margins, 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.

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

improvement in liquidity and functioning in the markets for commercial mortgage-backed securities and consumer asset-backed securities. The improvement in liquidity and functioning reported in the March survey contrasts with a deterioration reported in the responses to the previous two surveys. 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 Question on Client Risk Appetite
(Question 81)

Anecdotal reports suggested that investor risk appetite declined during the final months of 2011. A special question asked about changes in respondents' overall assessment of the risk appetite of different client types since the beginning of 2012. Survey respondents indicated that the risk appetite of most types of clients included in the survey was little changed, on balance, during this period. However, one-fifth of dealers reported that most-favored hedge funds' risk appetite had increased somewhat.

Special Question on Third-Party Custody of Independent Amounts (Initial Margin) and Collateral
(Question 82)

Following the failure of MF Global in October, market participants have reportedly focused more intensively on the possible consequences of financial distress on the part of dealers with whom they have posted collateral. A special question asked about changes in the past six months in the intensity of efforts by respondents' clients to negotiate arrangements for the custody by third parties of collateral and margin posted to the respondent's institution as a risk mitigant. Two-thirds of dealers, on net, pointed to an increase in such efforts, with a couple of respondents noting that these efforts had increased considerably.

Special Questions on Developments in Securities Lending
(Questions 83–87)

During the 2007–08 financial crisis, some beneficial owners of securities (for example, pension funds or insurance companies) experienced losses related to the reinvestment of cash collateral posted by borrowers of their securities, which highlighted the associated counterparty risk faced by the borrowers posting collateral.[7] Since the crisis, the volume

financing transactions, not changes in the funding market itself. This question is not asked with respect to equity markets in the core questions.

[7] During some periods, and notably prior to the 2007–08 financial crisis, the prospect of investment income on cash collateral posted with beneficial owners by borrowers of securities has

of securities lending has decreased considerably and cash collateral reinvestment practices are said to have changed significantly, including through application of more-stringent investment guidelines for cash collateral by beneficial owners and the increased posting of other securities as noncash collateral. A final set of special questions asked dealers about recent developments in securities lending.

One-fourth of dealers reported that the amount of resources and attention devoted to the management of credit exposure related to their posting of collateral with beneficial owners pursuant to securities borrowed (to facilitate their own trading activities or on behalf of prime brokerage or other clients) had increased over the past six months.[8] Survey responses indicated significant heterogeneity, as of the beginning of 2012, in the share of the dollar volume of collateral that dealers had posted pursuant to securities borrowed that consisted of cash collateral. About one-half of dealers indicated that cash accounted for more than 80 percent of the collateral they had posted pursuant to such transactions. Meanwhile, about one-fourth of respondents noted that cash consisted of between 60 and 70 percent of the collateral they had posted pursuant to securities borrowed, and about one-fifth reported a share of cash collateral of less than 60 percent. Of note, a modest fraction of dealers reported that the share of their collateral posted pursuant to securities borrowed that consisted of securities rather than cash had increased somewhat over the past six months.

Dealers were also queried about the sources of securities borrowed by their firm as of the beginning of 2012. Four-fifths of respondents reported that securities lending programs administered by custodian banks or other agents on behalf of beneficial owners were the largest source, by volume, of borrowed securities; the remaining respondents pointed to their clients (typically through rehypothecation) or direct transactions with beneficial owners. In response to a question about changes over the past six months in the volume of securities borrowed by source type, about one-fifth of respondents indicated that the volume of securities borrowed from securities lending programs administered by custodian banks or other agents had decreased somewhat. Little to no change, on balance, was reported with regard to securities borrowed through rehypothecation and direct transactions with beneficial owners.

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represented a significant share of the return to beneficial owners for lending securities. The investment decisions related to cash collateral, and associated liquidity and credit risks, are borne by the beneficial owners, who are obligated to return the cash collateral to the borrowers of securities when the securities are returned. In general, the borrower has the right to return the securities and demand the cash collateral posted at any time. The borrower of securities faces counterparty risk from the transaction and potential losses in the event that the borrowed securities decline in value and the beneficial owner is unable to return the cash collateral, for example, because of losses stemming from its reinvestment.

[8] Dealers commonly borrow securities in circumstances where prime brokerage clients wish to establish short positions. They also borrow to facilitate their own routine market-making activities, for example, to enable a delivery to a client on a securities sale when another client has failed to deliver the instrument to the dealer.

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

Results of the March 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	1	5.0
Increased somewhat	7	35.0
Remained basically unchanged	10	50.0
Decreased somewhat	2	10.0
Decreased considerably	0	0.0
Total	**20**	**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	1	5.0
Increased somewhat	10	50.0
Remained basically unchanged	9	45.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**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	1	5.0
To some extent	5	25.0
To a minimal extent	11	55.0
Not at all	3	15.0
Total	**20**	**100.0**

Hedge Funds

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	16	80.0
Eased somewhat	3	15.0
Eased considerably	0	0.0
Total	**20**	**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	1	5.0
Remained basically unchanged	16	80.0
Eased somewhat	3	15.0
Eased considerably	0	0.0
Total	**20**	**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	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

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

2) Increased willingness of your institution to take on risk

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

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

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

7) More-aggressive competition from other institutions

	Number of Respondents	**Percent**
First in importance	3	75.0
Second in importance	1	25.0
Third in importance	0	0.0
Total	**4**	**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	11	55.0
Remained basically unchanged	9	45.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**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	2	10.0
Remained basically unchanged	12	60.0
Decreased somewhat	6	30.0
Decreased considerably	0	0.0
Total	**20**	**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	0	0.0
Remained basically unchanged	16	80.0
Decreased somewhat	4	20.0
Decreased considerably	0	0.0
Total	**20**	**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	4	20.0
Remained basically unchanged	15	75.0
Decreased somewhat	1	5.0
Decreased considerably	0	0.0
Total	**20**	**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	0	0.0
Remained basically unchanged	16	94.1
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	0	0.0
Remained basically unchanged	16	88.9
Eased somewhat	2	11.1
Eased considerably	0	0.0
Total	**18**	**100.0**

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

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

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

2) Reduced willingness of your institution to take on risk

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

4) Lower internal treasury charges for funding

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

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

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

6) Improvement in general market liquidity and functioning

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

7) More-aggressive competition from other institutions

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

14. How has the intensity of efforts by trading REITs to negotiate more-favorable price and nonprice terms changed over the past three months?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	11.1
Remained basically unchanged	15	83.3
Decreased somewhat	1	5.6
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	4	20.0
Remained basically unchanged	15	75.0
Decreased somewhat	1	5.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	11.1
Remained basically unchanged	15	83.3
Decreased somewhat	1	5.6
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	1	5.0
Remained basically unchanged	16	80.0
Eased somewhat	3	15.0
Eased considerably	0	0.0
Total	**20**	**100.0**

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	17	85.0
Eased somewhat	2	10.0
Eased considerably	0	0.0
Total	**20**	**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	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
Total	**1**	**100.0**

4) Higher internal treasury charges for funding

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

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

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

7) More-aggressive competition from other institutions

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

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	7	35.0
Remained basically unchanged	13	65.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

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

A. Mutual funds

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

B. ETFs

	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**

C. Pension plans

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

D. Endowments

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	1	5.3
Remained basically unchanged	18	94.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**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	3	16.7
Remained basically unchanged	15	83.3
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

Insurance Companies

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	19	95.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**20**	**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	2	10.0
Remained basically unchanged	17	85.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	**20**	**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	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	1	100.0
Second in importance	0	0.0
Third in importance	0	0.0
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	0	0.0
Second in importance	1	100.0
Third in importance	0	0.0
Total	**1**	**100.0**

2) Increased willingness of your institution to take on risk

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

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

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

4) Lower internal treasury charges for funding

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

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

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

6) Improvement in general market liquidity and functioning

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

7) More-aggressive competition from other institutions

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

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	21.1
Remained basically unchanged	15	78.9
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**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	2	10.0
Remained basically unchanged	17	85.0
Decreased somewhat	1	5.0
Decreased considerably	0	0.0
Total	**20**	**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	1	5.0
Remained basically unchanged	19	95.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

Separately Managed Accounts Established with Investment Advisers

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

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

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

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

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

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

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

2) Reduced willingness of your institution to take on risk

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

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

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

4) Higher internal treasury charges for funding

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

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

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

6) Worsening in general market liquidity and functioning

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

7) Less-aggressive competition from other institutions

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

B. Possible reasons for easing

1) Improvement in current or expected financial strength of counterparties

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

2) Increased willingness of your institution to take on risk

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

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

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

4) Lower internal treasury charges for funding

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

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

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

6) Improvement in general market liquidity and functioning

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

7) More-aggressive competition from other institutions

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

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

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

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

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

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

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

Nonfinancial Corporations

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

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	5.0
Remained basically unchanged	16	80.0
Eased somewhat	3	15.0
Eased considerably	0	0.0
Total	**20**	**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	5.0
Remained basically unchanged	18	90.0
Eased somewhat	1	5.0
Eased considerably	0	0.0
Total	**20**	**100.0**

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

A. Possible reasons for tightening

1) Deterioration in current or expected financial strength of counterparties

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

2) Reduced willingness of your institution to take on risk

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

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

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

Mark and Collateral Disputes

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

A. Dealers and other financial intermediaries

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

B. Hedge funds

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

C. Trading REITs

	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**

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

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

E. Insurance companies

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

F. Separately managed accounts established with investment advisers

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

G. Nonfinancial corporations

	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**

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	5.3
Increased somewhat	0	0.0
Remained basically unchanged	18	94.7
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

B. Hedge funds

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

C. Trading REITs

	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**

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

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

E. Insurance companies

	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**

F. Separately managed accounts established with investment advisers

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

G. Nonfinancial corporations

	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**

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	2	11.1
Remained basically unchanged	16	88.9
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**18**	**100.0**

B. Acceptable collateral

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

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

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

D. Triggers and covenants

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	2	11.1
Remained basically unchanged	16	88.9
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**18**	**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	5.6
Remained basically unchanged	16	88.9
Eased somewhat	1	5.6
Eased considerably	0	0.0
Total	**18**	**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	5.3
Remained basically unchanged	17	89.5
Decreased somewhat	1	5.3
Decreased considerably	0	0.0
Total	**19**	**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**

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

A. Initial margin requirements for average clients

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

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

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	15	93.8
Decreased somewhat	1	6.3
Decreased considerably	0	0.0
Total	**16**	**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	15	93.8
Decreased somewhat	1	6.3
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	93.8
Decreased somewhat	1	6.3
Decreased considerably	0	0.0
Total	**16**	**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	92.9
Decreased somewhat	1	7.1
Decreased considerably	0	0.0
Total	**14**	**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	92.9
Decreased somewhat	1	7.1
Decreased considerably	0	0.0
Total	**14**	**100.0**

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

A. Initial margin requirements for average clients

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

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	10	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**10**	**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	10	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**10**	**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	20.0
Remained basically unchanged	15	75.0
Decreased somewhat	1	5.0
Decreased considerably	0	0.0
Total	**20**	**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	5.9
Remained basically unchanged	15	88.2
Decreased somewhat	1	5.9
Decreased considerably	0	0.0
Total	**17**	**100.0**

B. Interest rate

	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**

C. Equity

	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**

D. Credit referencing corporates

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

F. Commodity

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

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

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

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

A. FX

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

B. Interest rate

	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**

C. Equity

	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**

D. Credit referencing corporates

	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**

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	12	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**12**	**100.0**

F. Commodity

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

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

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	14	87.5
Eased somewhat	1	6.3
Eased considerably	1	6.3
Total	**16**	**100.0**

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.3
Remained basically unchanged	12	75.0
Eased somewhat	2	12.5
Eased considerably	1	6.3
Total	**16**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	87.5
Eased somewhat	1	6.3
Eased considerably	1	6.3
Total	**16**	**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	10	66.7
Eased somewhat	4	26.7
Eased considerably	1	6.7
Total	**15**	**100.0**

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

1) Maximum amount of funding

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

2) Maximum maturity

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	1	6.3
Remained basically unchanged	12	75.0
Eased somewhat	2	12.5
Eased considerably	1	6.3
Total	**16**	**100.0**

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	14	87.5
Eased somewhat	1	6.3
Eased considerably	1	6.3
Total	**16**	**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	9	64.3
Eased somewhat	4	28.6
Eased considerably	1	7.1
Total	**14**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	12.5
Remained basically unchanged	14	87.5
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**16**	**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	4	25.0
Remained basically unchanged	11	68.8
Decreased somewhat	0	0.0
Decreased considerably	1	6.3
Total	**16**	**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	1	6.3
Improved somewhat	4	25.0
Remained basically unchanged	10	62.5
Deteriorated somewhat	1	6.3
Deteriorated considerably	0	0.0
Total	**16**	**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	2	14.3
Remained basically unchanged	10	71.4
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

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

3) Haircuts

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

4) 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	10	76.9
Eased somewhat	2	15.4
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	2	14.3
Remained basically unchanged	10	71.4
Eased somewhat	2	14.3
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

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

3) Haircuts

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

4) 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	10	76.9
Eased somewhat	2	15.4
Eased considerably	0	0.0
Total	**13**	**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	20.0
Remained basically unchanged	12	80.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**15**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	13.3
Remained basically unchanged	12	80.0
Decreased somewhat	1	6.7
Decreased considerably	0	0.0
Total	**15**	**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	1	6.3
Improved somewhat	3	18.8
Remained basically unchanged	11	68.8
Deteriorated somewhat	1	6.3
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	100.0
Eased somewhat	0	0.0
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	20	100.0
Eased somewhat	0	0.0
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	20	100.0
Eased somewhat	0	0.0
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	1	5.6
Remained basically unchanged	15	83.3
Eased somewhat	2	11.1
Eased considerably	0	0.0
Total	**18**	**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	100.0
Eased somewhat	0	0.0
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	20	100.0
Eased somewhat	0	0.0
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	20	100.0
Eased somewhat	0	0.0
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	1	5.3
Remained basically unchanged	16	84.2
Eased somewhat	2	10.5
Eased considerably	0	0.0
Total	**19**	**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	20.0
Remained basically unchanged	15	75.0
Decreased somewhat	1	5.0
Decreased considerably	0	0.0
Total	**20**	**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	3	17.6
Remained basically unchanged	13	76.5
Eased somewhat	1	5.9
Eased considerably	0	0.0
Total	**17**	**100.0**

2) Maximum maturity

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

3) Haircuts

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

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

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

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

1) Maximum amount of funding

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

2) Maximum maturity

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

3) Haircuts

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

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

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	2	12.5
Remained basically unchanged	13	81.3
Eased somewhat	1	6.3
Eased considerably	0	0.0
Total	**16**	**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	4	23.5
Remained basically unchanged	11	64.7
Decreased somewhat	2	11.8
Decreased considerably	0	0.0
Total	**17**	**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	5	29.4
Remained basically unchanged	11	64.7
Decreased somewhat	1	5.9
Decreased considerably	0	0.0
Total	**17**	**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	3	17.6
Remained basically unchanged	14	82.4
Deteriorated somewhat	0	0.0
Deteriorated considerably	0	0.0
Total	**17**	**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	3	21.4
Remained basically unchanged	11	78.6
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

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

3) Haircuts

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

4) 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	12	85.7
Eased somewhat	1	7.1
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	3	21.4
Remained basically unchanged	10	71.4
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

2) Maximum maturity

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

3) Haircuts

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

4) 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	12	85.7
Eased somewhat	1	7.1
Eased considerably	0	0.0
Total	**14**	**100.0**

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

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

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	26.7
Remained basically unchanged	10	66.7
Decreased somewhat	1	6.7
Decreased considerably	0	0.0
Total	**15**	**100.0**

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

	Number of Respondents	Percent
Improved considerably	1	7.1
Improved somewhat	3	21.4
Remained basically unchanged	9	64.3
Deteriorated somewhat	1	7.1
Deteriorated considerably	0	0.0
Total	**14**	**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	2	15.4
Remained basically unchanged	11	84.6
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	0	0.0
Remained basically unchanged	12	92.3
Eased somewhat	1	7.7
Eased considerably	0	0.0
Total	**13**	**100.0**

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

1) Maximum amount of funding

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

2) Maximum maturity

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

3) Haircuts

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

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

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

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

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

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

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

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

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

Consumer Asset-Backed Securities

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

A. Terms for average clients

1) Maximum amount of funding

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

2) Maximum maturity

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

3) Haircuts

	Number of Respondents	Percent
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**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	9	81.8
Eased somewhat	2	18.2
Eased considerably	0	0.0
Total	**11**	**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	9.1
Remained basically unchanged	10	90.9
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**100.0**

2) Maximum maturity

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

3) Haircuts

	Number of Respondents	**Percent**
Tightened considerably	0	0.0
Tightened somewhat	0	0.0
Remained basically unchanged	11	100.0
Eased somewhat	0	0.0
Eased considerably	0	0.0
Total	**11**	**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	9	81.8
Eased somewhat	2	18.2
Eased considerably	0	0.0
Total	**11**	**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	2	18.2
Remained basically unchanged	9	81.8
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**11**	**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	2	18.2
Remained basically unchanged	9	81.8
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**11**	**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	1	9.1
Improved somewhat	2	18.2
Remained basically unchanged	8	72.7
Deteriorated somewhat	0	0.0
Deteriorated considerably	0	0.0
Total	**11**	**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	14	93.3
Decreased somewhat	1	6.7
Decreased considerably	0	0.0
Total	**15**	**100.0**

B. High-yield corporate bonds

	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**

C. Equities

	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**

D. 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**

E. Non-agency RMBS

	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**

F. CMBS

	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**

G. Consumer ABS

	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**

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	15	100.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**15**	**100.0**

B. High-yield corporate bonds

	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**

C. Equities

	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**

D. 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**

E. Non-agency RMBS

	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**

F. CMBS

	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**

G. Consumer ABS

	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**

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.[9]

[9] 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.

Client Risk Appetite

81. Since the beginning of 2012, how has your overall assessment of the appetite of your institution's clients of each specified type to bear investment risk changed, considering all transactions and activities that involve current or potential credit risk exposure for your firm?

    A. Most-favored hedge funds (as a consequence of breadth, duration, and/or extent of relationship)

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	6	30.0
Remained basically unchanged	12	60.0
Decreased somewhat	2	10.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

    B. Other hedge funds

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	3	15.0
Remained basically unchanged	15	75.0
Decreased somewhat	2	10.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

C. REITs

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	24.0
Remained basically unchanged	11	65.0
Decreased somewhat	2	12.0
Decreased considerably	0	0.0
Total	**17**	**100.0**

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

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	2	11.0
Remained basically unchanged	16	84.0
Decreased somewhat	1	5.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

E. Insurance companies

	Number of Respondents	Percent
Increased considerably	0	0.0
Increased somewhat	4	22.0
Remained basically unchanged	11	61.0
Decreased somewhat	3	17.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

F. Separately managed accounts established with investment advisers

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	11.0
Remained basically unchanged	15	83.0
Decreased somewhat	1	6.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

Third-Party Custody of Independent Amounts (Initial Margin) and Collateral

82. How has the intensity of efforts by your institution's clients to negotiate arrangements for the custody by third parties of collateral and margin posted to your institution changed over the past six months?

	Number of Respondents	**Percent**
Increased considerably	2	10.0
Increased somewhat	12	60.0
Remained basically unchanged	5	25.0
Decreased somewhat	1	5.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

Developments in Securities Lending

83. Over the past six months, how has the amount of resources and attention your firm devotes to management of credit exposure related to the posting by your firm of collateral pursuant to securities borrowed (to facilitate your institution's own trading activities or on behalf of prime brokerage or other clients) changed?

	Number of Respondents	**Percent**
Increased considerably	2	10.0
Increased somewhat	3	15.0
Remained basically unchanged	15	75.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**20**	**100.0**

84. As of the beginning of 2012, about what share of the dollar volume of collateral posted by your firm pursuant to securities borrowed (to facilitate your institution's own trading activities or on behalf of prime brokerage or other clients) consisted of cash collateral?

	Number of Respondents	**Percent**
Less than 60 percent	4	21.0
Between 60 percent and 70 percent	5	26.0
Between 70 percent and 80 percent	0	0.0
Between 80 percent and 90 percent	3	16.0
More than 90 percent	7	37.0
Total	**19**	**100.0**

85. Over the past six months, how has the fraction of collateral posted by your institution pursuant to securities borrowed (to facilitate your institution's own trading activities or on behalf of prime brokerage or other clients) that consists of noncash (that is, securities) changed?

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	3	16.0
Remained basically unchanged	16	84.0
Decreased somewhat	0	0.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

86. As of the beginning of 2012, which source accounted for the greatest volume of securities borrowed by your firm (to facilitate your institution's own trading activities or on behalf of prime brokerage or other clients)?

	Number of Respondents	**Percent**
Clients of your institution (through rehypothecation)	2	11.0
Securities lending programs administered by custodian banks or other agents	15	79.0
Direct transactions with beneficial owners (for example, pension funds and insurers)	2	11.0
Total	**19**	**100.0**

87. Over the past six months, how has the volume of securities borrowed by your firm from each of the following sources of securities (to facilitate your institution's own trading activities or on behalf of prime brokerage or other clients) changed?

A. Clients of your institution (through rehypothecation)

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	1	6.0
Remained basically unchanged	14	78.0
Decreased somewhat	3	17.0
Decreased considerably	0	0.0
Total	**18**	**100.0**

B. Securities lending programs administered by custodian banks or other agents

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	0	0.0
Remained basically unchanged	15	79.0
Decreased somewhat	4	21.0
Decreased considerably	0	0.0
Total	**19**	**100.0**

C. Direct transactions with beneficial owners (for example, pension funds and insurers)

	Number of Respondents	**Percent**
Increased considerably	0	0.0
Increased somewhat	2	11.0
Remained basically unchanged	14	78.0
Decreased somewhat	2	11.0
Decreased considerably	0	0.0
Total	**18**	**100.0**