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4Q 2021 Cerebro Capital Non-Bank Lending Quarterly Survey

Cerebro Capital fielded surveys in November 2021 and January 2022 to non-bank lenders that are part of Cerebro's lender network. Cerebro questions focused only on Middle-Market C&I loans and were compared to Federal Reserve Senior Loan Officer Survey responses for large and mid-size businesses. Comparison questions from the Federal Reserve survey are included below each table where there was an equivalent question asked of commercial banks.

Data for Commercial Banks was sourced from:
Federal Reserve Senior Loan Officer Survey January 2022; Table 1
Federal Reserve Senior Loan Officer Survey October 2021; Table 1

Cerebro Survey Questions:

1. **Looking back over the past three months, how have your lending institution's credit standards changed for C&I loans?**

	Federal Reserve 3Q21 Commercial Banks (n=66)	Cerebro 3Q21 Non-Banks (n=68)	Federal Reserve 4Q21 Commercial Banks (n=69)	Cerebro 4Q21 Non-Banks (n=78)
Tightened considerably	0%	0%	0%	0%
Tightened somewhat	0%	11.80%	1%	15.38%
Remained basically unchanged	81.80%	63.20%	82.60%	58.97%
Eased somewhat	18.20%	25.00%	15.90%	25.64%
Eased considerably	0%	0%	0%	0%

Corresponding Federal Reserve Question
Over the past three months, how have your bank's credit standards for approving applications for C&I loans or credit lines—other than those to be used to finance mergers and acquisitions—to large and middle-market firms and to small firms changed?

1a. Because your lending institution has tightened its credit standards for C&I loans over the past three months, how important have the following possible reasons been for the change?

Deterioration in your lending institution's current or expected capital position

	Federal Reserve 3Q21 Commercial Banks (n=4)	Cerebro 3Q21 Non-Banks (n=8)	Federal Reserve 4Q21 Commercial Banks (n<3)	Cerebro 4Q21 Non-Banks (n=12)
Not Important	75.00%	62.50%	na	66.67%
Somewhat Important	25.00%	37.50%	na	16.67%
Very Important	0%	0%	na	17%

Less favorable or more uncertain economic outlook

	Federal Reserve 3Q21 Commercial Banks (n=4)	Cerebro 3Q21 Non-Banks (n=8)	Federal Reserve 4Q21 Commercial Banks (n<3)	Cerebro 4Q21 Non-Banks (n=12)
Not Important	50.00%	25.00%	na	8.33%
Somewhat Important	25.00%	50.00%	na	75.00%
Very Important	25.00%	50.00%	na	16.67%

Worsening of industry-specific problems

	Federal Reserve 3Q21 Commercial Banks (n<3)	Cerebro 3Q21 Non-Banks (n=8)	Federal Reserve 4Q21 Commercial Banks (n<3)	Cerebro 4Q21 Non-Banks (n=12)
Not Important	0%	12.50%	na	25.00%
Somewhat Important	0%	75.00%	na	41.67%
Very Important	0%	12.50%	na	33.33%

Less aggressive competition from other lenders (other financial intermediaries or the capital markets)

	Federal Reserve 3Q21 Commercial Banks (n=4)	Cerebro 3Q21 Non-Banks (n=8)	Federal Reserve 4Q21 Commercial Banks (n<3)	Cerebro 4Q21 Non-Banks (n=12)
Not Important	75.00%	50.00%	na	58.33%
Somewhat Important	25.00%	25.00%	na	25.00%
Very Important	0.00%	25.00%	na	16.67%

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Reduced tolerance for risk

	Federal Reserve 3Q21 Commercial Banks (n=4)	Cerebro 3Q21 Non-Banks (n=8)	Federal Reserve 4Q21 Commercial Banks (n<3)	Cerebro 4Q21 Non-Banks (n=12)
Not Important	75.00%	12.50%	na	25.00%
Somewhat Important	25.00%	75.00%	na	33.33%
Very Important	0%	12.50%	na	41.67%

Decreased liquidity in the secondary market for these loans

	Federal Reserve 3Q21 Commercial Banks (n=4)	Cerebro 3Q21 Non-Banks (n=8)	Federal Reserve 4Q21 Commercial Banks (n<3)	Cerebro 4Q21 Non-Banks (n=12)
Not Important	100.00%	75.00%	na	83.33%
Somewhat Important	0.00%	25.00%	na	16.67%
Very Important	0%	0%	na	0%

Deterioration in your lending institution's current or expected liquidity position

	Federal Reserve 3Q21 Commercial Banks (n=4)	Cerebro 3Q21 Non-Banks (n=8)	Federal Reserve 4Q21 Commercial Banks (n<3)	Cerebro 4Q21 Non-Banks (n=12)
Not Important	75.00%	75.00%	na	66.67%
Somewhat Important	25.00%	25.00%	na	16.67%
Very Important	0%	0%	na	17%

Increased concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards

	Federal Reserve 3Q21 Commercial Banks (n=4)	Cerebro 3Q21 Non-Banks (n=8)	Federal Reserve 4Q21 Commercial Banks (n<3)	Cerebro 4Q21 Non-Banks (n=12)
Not Important	75.00%	62.50%	na	41.67%
Somewhat Important	0.00%	12.50%	na	41.67%
Very Important	25.00%	25.00%	na	16.67%

Corresponding Federal Reserve Question
If your bank has tightened or eased its credit standards or its terms for C&I loans or credit lines over the past three months (as described in questions 1 and 2), how important have been the following possible reasons for the change?
A. Possible reasons for tightening credit standards or loan terms

1b. Because your lending institution has eased its credit standards for C&I loans over the past three months, how important have the following possible reasons been for the change?

Improvement in your lending institution's current or expected capital position

	Federal Reserve 3Q21 Commercial Banks (n=32)	Cerebro 3Q21 Non-Banks (n=17)	Federal Reserve 4Q21 Commercial Banks (n=32)	Cerebro 4Q21 Non-Banks (n=20)
Not Important	78.10%	29.40%	78.10%	20.00%
Somewhat Important	29.90%	59.80%	18.80%	50.00%
Very Important	0%	11.80%	3%	30.00%

More favorable or less uncertain economic outlook

	Federal Reserve 3Q21 Commercial Banks (n=33)	Cerebro 3Q21 Non-Banks (n=17)	Federal Reserve 4Q21 Commercial Banks (n=32)	Cerebro 4Q21 Non-Banks (n=20)
Not Important	27.30%	23.50%	31.20%	25.00%
Somewhat Important	54.50%	47.00%	53.10%	60.00%
Very Important	18.20%	29.40%	15.60%	15.00%

Improvement in industry-specific problems

	Federal Reserve 3Q21 Commercial Banks (n=30)	Cerebro 3Q21 Non-Banks (n=17)	Federal Reserve 4Q21 Commercial Banks (n=31)	Cerebro 4Q21 Non-Banks (n=20)
Not Important	53.50%	23.50%	58.10%	25.00%
Somewhat Important	36.70%	52.90%	35.50%	50.00%
Very Important	10.00%	23.50%	6.50%	25.00%

More aggressive competition from other lenders (other financial intermediaries or the capital markets)

	Federal Reserve 3Q21 Commercial Banks (n=32)	**Cerebro 3Q21 Non-Banks (n=17)**	**Federal Reserve 4Q21 Commercial Banks (n=34)**	**Cerebro 4Q21 Non-Banks (n=20)**
Not Important	6.20%	5.80%	5.90%	0.00%
Somewhat Important	37.50%	35.30%	50.00%	30.00%
Very Important	56.20%	58.80%	44.10%	70.00%

Increased tolerance for risk

	Federal Reserve 3Q21 Commercial Banks (n=32)	**Cerebro 3Q21 Non-Banks (n=17)**	**Federal Reserve 4Q21 Commercial Banks (n=32)**	**Cerebro 4Q21 Non-Banks (n=20)**
Not Important	65.60%	29.40%	71.90%	0.00%
Somewhat Important	34.40%	52.90%	28.10%	70.00%
Very Important	0%	17.70%	0%	30.00%

Increased liquidity in the secondary market for these loans

	Federal Reserve 3Q21 Commercial Banks (n=33)	**Cerebro 3Q21 Non-Banks (n=17)**	**Federal Reserve 4Q21 Commercial Banks (n=x2)**	**Cerebro 4Q21 Non-Banks (n=20)**
Not Important	78.80%	82.40%	81.20%	50.00%
Somewhat Important	21.20%	17.70%	9.40%	35.00%
Very Important	0%	0%	9%	15%

Improvement in your lending institution's current or expected liquidity position

	Federal Reserve 3Q21 Commercial Banks (n=32)	**Cerebro 3Q21 Non-Banks (n=17)**	**Federal Reserve 4Q21 Commercial Banks (n=32)**	**Cerebro 4Q21 Non-Banks (n=20)**
Not Important	71.90%	29.40%	56.20%	40.00%
Somewhat Important	18.80%	52.90%	25.00%	35.00%
Very Important	9.40%	17.70%	18.80%	25.00%

Reduced concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards

	Federal Reserve 3Q21 Commercial Banks (n=32)	Cerebro 3Q21 Non-Banks (n=17)	Federal Reserve 4Q21 Commercial Banks (n=32)	Cerebro 4Q21 Non-Banks (n=20)
Not Important	96.90%	58.80%	87.50%	50.00%
Somewhat Important	3.10%	41.20%	12.50%	40.00%
Very Important	0%	0%	0%	10%

Corresponding Federal Reserve Question
If your bank has tightened or eased its credit standards or its terms for C&I loans or credit lines over the past three months (as described in questions 1 and 2), how important have been the following possible reasons for the change?
B. Possible reasons for easing credit standards or loan terms:

2. Looking back over the past three months, how has the number of inquiries from potential corporate borrowers regarding the availability and terms of new credit lines or increases in existing lines changed?

	Federal Reserve 3Q21 Commercial Banks (n=66)	Cerebro 3Q21 Non-Banks (n=67)	Federal Reserve 4Q21 Commercial Banks (n=68)	Cerebro 4Q21 Non-Banks (n=76)
The number of inquiries has increased substantially	1.50%	27.40%	0.00%	18.42%
The number of inquiries has increased moderately	24.20%	47.80%	32.40%	46.05%
The number of inquiries has stayed about the same	56.10%	17.90%	60.30%	19.74%
The number of inquiries has decreased moderately	16.70%	9.00%	7.40%	15.79%
The number of inquiries has decreased substantially	1.50%	0%	0.00%	0%

Corresponding Federal Reserve Question
At your bank, apart from seasonal variation, how has the number of inquiries from potential business borrowers regarding the availability and terms of new credit lines or increases in existing lines changed over the past three months? (Please consider only inquiries for additional or increased C&I lines as opposed to the refinancing of existing loans.)

2a. If demand for C&I loans has strengthened over the past three months, how important have the following possible reasons been for the change?

Customer inventory financing needs increased

	Federal Reserve 3Q21 Commercial Banks (n=18)	Cerebro 3Q21 Non-Banks (n=48)	Federal Reserve 4Q21 Commercial Banks (n=24)	Cerebro 4Q21 Non-Banks (n=49)
Not Important	22.20%	37.50%	12.50%	30.61%
Somewhat Important	66.70%	50.00%	66.70%	40.82%
Very Important	11.10%	12.50%	20.80%	28.57%

Customer accounts receivable financing needs increased

	Federal Reserve 3Q21 Commercial Banks (n=24)	Cerebro 3Q21 Non-Banks (n=48)	Federal Reserve 4Q21 Commercial Banks (n=24)	Cerebro 4Q21 Non-Banks (n=49)
Not Important	33.30%	29.20%	33.30%	26.53%
Somewhat Important	61.10%	60.40%	62.50%	44.90%
Very Important	5.60%	10.40%	4.20%	28.57%

Customer investment in plant or equipment increased

	Federal Reserve 3Q21 Commercial Banks (n=17)	Cerebro 3Q21 Non-Banks (n=48)	Federal Reserve 4Q21 Commercial Banks (n=24)	Cerebro 4Q21 Non-Banks (n=49)
Not Important	23.50%	29.20%	33.30%	44.90%
Somewhat Important	76.50%	52.10%	62.50%	44.90%
Very Important	0%	18.80%	4.20%	10.20%

Customer internally generated funds decreased

	Federal Reserve 3Q21 Commercial Banks (n=18)	Cerebro 3Q21 Non-Banks (n=48)	Federal Reserve 4Q21 Commercial Banks (n=24)	Cerebro 4Q21 Non-Banks (n=49)
Not Important	94.40%	47.90%	95.80%	34.69%
Somewhat Important	5.60%	37.50%	4.20%	44.90%
Very Important	0%	14.60%	0%	20.41%

Customer merger or acquisition financing needs increased

	Federal Reserve 3Q21 Commercial Banks (n=18)	Cerebro 3Q21 Non-Banks (n=48)	Federal Reserve 4Q21 Commercial Banks (n=26)	Cerebro 4Q21 Non-Banks (n=49)
Not Important	27.80%	16.70%	11.50%	22.45%
Somewhat Important	44.40%	29.20%	42.30%	40.82%
Very Important	27.80%	54.20%	46.20%	36.73%

Customer borrowing shifted to your lending institution from other lender sources because these other sources became less attractive

	Federal Reserve 3Q21 Commercial Banks (n=18)	Cerebro 3Q21 Non-Banks (n=48)	Federal Reserve 4Q21 Commercial Banks (n=24)	Cerebro 4Q21 Non-Banks (n=49)
Not Important	72.20%	22.90%	66.70%	20.41%
Somewhat Important	27.80%	50.00%	29.20%	59.18%
Very Important	0%	27.10%	4.20%	20.41%

Customer precautionary demand for cash and liquidity increased

	Federal Reserve 3Q21 Commercial Banks (n=17)	Cerebro 3Q21 Non-Banks (n=48)	Federal Reserve 4Q21 Commercial Banks (n=24)	Cerebro 4Q21 Non-Banks (n=49)
Not Important	64.70%	27.10%	87.50%	30.61%
Somewhat Important	35.30%	50.00%	12.50%	42.86%
Very Important	0%	22.90%	0%	26.53%

Corresponding Federal Reserve Question
If demand for C&I loans has strengthened or weakened over the past three months (as described in question 4), how important have been the following possible reasons for the change?

A. If stronger loan demand (answer 1 or 2 to question 4A or 4B), possible reasons

2b. If demand for C&I loans has weakened over the past three months, how important have the following possible reasons been for the change?

Customer inventory financing needs decreased

	Federal Reserve 3Q21 Commercial Banks (n=15)	Cerebro 3Q21 Non-Banks (n=6)	Federal Reserve 4Q21 Commercial Banks (n=10)	Cerebro 4Q21 Non-Banks (n=11)
Not Important	40.00%	50.00%	20.00%	54.55%
Somewhat Important	53.50%	33.30%	60.00%	36.36%
Very Important	6.70%	16.70%	20.00%	9.09%

Customer accounts receivable financing needs decreased

	Federal Reserve 3Q21 Commercial Banks (n=15)	Cerebro 3Q21 Non-Banks (n=6)	Federal Reserve 4Q21 Commercial Banks (n=10)	Cerebro 4Q21 Non-Banks (n=11)
Not Important	33.30%	50.00%	30.00%	54.55%
Somewhat Important	60.00%	33.30%	60.00%	45.45%
Very Important	6.70%	16.70%	10.00%	0.00%

Customer investment in plant or equipment decreased

	Federal Reserve 3Q21 Commercial Banks (n=15)	Cerebro 3Q21 Non-Banks (n=6)	Federal Reserve 4Q21 Commercial Banks (n=10)	Cerebro 4Q21 Non-Banks (n=11)
Not Important	20.00%	66.70%	30.00%	54.55%
Somewhat Important	60.00%	33.30%	60.00%	36.36%
Very Important	20.00%	0%	10.00%	9%

Customer internally generated funds increased

	Federal Reserve 3Q21 Commercial Banks (n=14)	Cerebro 3Q21 Non-Banks (n=6)	Federal Reserve 4Q21 Commercial Banks (n=10)	Cerebro 4Q21 Non-Banks (n=11)
Not Important	28.60%	33.30%	20.00%	45.45%
Somewhat Important	57.10%	50.00%	70.00%	9.09%
Very Important	14.30%	16.70%	10.00%	45.45%

Customer merger or acquisition financing needs decreased

	Federal Reserve 3Q21 Commercial Banks (n=14)	Cerebro 3Q21 Non-Banks (n=6)	Federal Reserve 4Q21 Commercial Banks (n=10)	Cerebro 4Q21 Non-Banks (n=11)
Not Important	78.60%	33.30%	60.00%	63.64%
Somewhat Important	21.40%	16.70%	40.00%	18.18%
Very Important	0%	50.00%	0%	18.18%

Customer borrowing shifted from your lending institution to other lender sources because these other sources became more attractive

	Federal Reserve 3Q21 Commercial Banks (n=14)	Cerebro 3Q21 Non-Banks (n=6)	Federal Reserve 4Q21 Commercial Banks (n=10)	Cerebro 4Q21 Non-Banks (n=11)
Not Important	71.40%	33.30%	70.00%	18.18%
Somewhat Important	28.60%	16.70%	30.00%	54.55%
Very Important	0%	50.00%	0%	27.27%

Customer precautionary demand for cash and liquidity decreased

	Federal Reserve 3Q21 Commercial Banks (n=14)	Cerebro 3Q21 Non-Banks (n=6)	Federal Reserve 4Q21 Commercial Banks (n=9)	Cerebro 4Q21 Non-Banks (n=11)
Not Important	71.40%	33.30%	55.60%	18.18%
Somewhat Important	21.40%	50.00%	33.30%	72.73%
Very Important	7.10%	16.70%	11.10%	9.09%

Corresponding Federal Reserve Question
If demand for C&I loans has strengthened or weakened over the past three months (as described in question 4), how important have been the following possible reasons for the change?

B. If weaker loan demand (answer 4 or 5 to question 4A or 4B), possible reasons

3. Looking back over the past three months, for applications for C&I loans that your lending institution is currently willing to approve, how have the terms of those loans changed?

Maximum size of loans

	Federal Reserve 3Q21 Commercial Banks (n=66)	**Cerebro 3Q21** Non-Banks (n=65)	**Federal Reserve 4Q21** Commercial Banks (n=66)	**Cerebro 4Q21** Non-Banks (n=75)
Tightened considerably	0%	0%	0%	0%
Tightened somewhat	0%	1.50%	0%	8.00%
Remained basically unchanged	66.70%	58.50%	77.30%	54.67%
Eased somewhat	33.30%	32.30%	22.70%	29.33%
Eased considerably	0%	7.70%	0%	8.00%

Maximum maturity of loans

	Federal Reserve 3Q21 Commercial Banks (n=65)	**Cerebro 3Q21** Non-Banks (n=65)	**Federal Reserve 4Q21** Commercial Banks (n=66)	**Cerebro 4Q21** Non-Banks (n=75)
Tightened considerably	0%	1.50%	0%	0.00%
Tightened somewhat	0%	6.20%	0%	5.33%
Remained basically unchanged	92.30%	75.40%	95.50%	78.67%
Eased somewhat	7.70%	16.90%	4.50%	14.67%
Eased considerably	0%	0%	0%	1%

Costs of loans

	Federal Reserve 3Q21 Commercial Banks (n=66)	Cerebro 3Q21 Non-Banks (n=66)	Federal Reserve 4Q21 Commercial Banks (n=65)	Cerebro 4Q21 Non-Banks (n=75)
Tightened considerably	0%	0%	0%	0%
Tightened somewhat	0%	6.20%	2%	17.33%
Remained basically unchanged	77.30%	46.20%	73.80%	50.67%
Eased somewhat	22.70%	46.20%	24.60%	30.67%
Eased considerably	0%	1.50%	0%	1.33%

Spreads of loan rates over your lending institution's cost of funds (wider spreads=tightened, narrower spreads=eased)

	Federal Reserve 3Q21 Commercial Banks (n=65)	Cerebro 3Q21 Non-Banks (n=65)	Federal Reserve 4Q21 Commercial Banks (n=66)	Cerebro 4Q21 Non-Banks (n=75)
Tightened considerably	0%	1.50%	0%	0.00%
Tightened somewhat	3.10%	12.30%	1.50%	18.67%
Remained basically unchanged	56.90%	55.40%	56.10%	54.67%
Eased somewhat	40.00%	30.80%	40.90%	25.33%
Eased considerably	1.40%	0%	1.50%	1%

Premiums charged on riskier loans

	Federal Reserve 3Q21 Commercial Banks (n=66)	Cerebro 3Q21 Non-Banks (n=65)	Federal Reserve 4Q21 Commercial Banks (n=66)	Cerebro 4Q21 Non-Banks (n=75)
Tightened considerably	0%	1.50%	0%	2.67%
Tightened somewhat	4.50%	23.10%	1.50%	17.33%
Remained basically unchanged	87.90%	66.20%	83.30%	62.67%
Eased somewhat	7.60%	9.20%	15.20%	16.00%
Eased considerably	0%	0%	0%	1%

Loan covenants

	Federal Reserve 3Q21 Commercial Banks (n=66)	Cerebro 3Q21 Non-Banks (n=65)	Federal Reserve 4Q21 Commercial Banks (n=64)	Cerebro 4Q21 Non-Banks (n=75)
Tightened considerably	0%	1.50%	0.00%	1.33%
Tightened somewhat	0%	10.80%	1.60%	9.33%
Remained basically unchanged	83.30%	67.70%	84.40%	72.00%
Eased somewhat	16.70%	20.00%	12.50%	14.67%
Eased considerably	0%	0%	1.60%	3%

Collateralization requirements

	Federal Reserve 3Q21 Commercial Banks (n=65)	Cerebro 3Q21 Non-Banks (n=66)	Federal Reserve 4Q21 Commercial Banks (n=66)	Cerebro 4Q21 Non-Banks (n=75)
Tightened considerably	0%	4.60%	0.00%	2.67%
Tightened somewhat	0%	9.20%	1.50%	12.00%
Remained basically unchanged	98.50%	80.00%	92.40%	73.33%
Eased somewhat	1.50%	6.20%	6.10%	12.00%
Eased considerably	0%	0%	0.00%	0%

Use of interest rate floors (more use=tightened, less use=eased)

	Federal Reserve 3Q21 Commercial Banks (n=66)	**Cerebro 3Q21 Non-Banks (n=65)**	**Federal Reserve 4Q21 Commercial Banks (n=66)**	**Cerebro 4Q21 Non-Banks (n=75)**
Tightened considerably	0%	1.50%	0.00%	4.00%
Tightened somewhat	1.50%	15.40%	1.50%	16.00%
Remained basically unchanged	78.80%	73.90%	78.80%	68.00%
Eased somewhat	19.70%	9.20%	16.70%	10.67%
Eased considerably	0%	0%	3.00%	1%

Corresponding Federal Reserve Question
For applications for C&I loans or credit lines—other than those to be used to finance mergers and acquisitions—from large and middle-market firms and from small firms that your bank currently is willing to approve, how have the terms of those loans changed over the past three months?

4. How do you anticipate lending standards for C&I loans at your lending institution to change over the next 6 (12) months, compared to its current standards, apart from normal seasonal variation?

	Cerebro 3Q21 (6 Months) Non-Banks (n=65)	**Cerebro 4Q21 (6 Months) Non-Banks (n=75)**
Tightened considerably	1.50%	4.00%
Tightened somewhat	12.30%	22.67%
Remained basically unchanged	58.50%	48.00%
Eased somewhat	27.70%	25.33%
Eased considerably	0%	0%

Corresponding Federal Reserve Question
No similar question asked.
4Q20 27. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect its **lending standards** for the following **C&I loan** categories to change over 2021 compared with its current standards, apart from normal seasonal variation? (Please refer to the definitions of large and middle-market firms suggested in question 1. If your bank defines firm size differently from the categories suggested in question 1, please use your definitions.)
A. Compared with my bank's current lending standards, over 2021, my bank expects its **lending standards** for approving applications for **C&I loans or credit lines to large and middle-market firms** to:

4a. If you expect your lending institution to tighten its credit standards for C&I loans, how important are the following possible reasons for the expected change in standards?

Expected deterioration in your lending institution's capital or liquidity position

	Cerebro 3Q21 (6 Months) Non-Banks (n=9)	**Cerebro 4Q21 Non-Banks (n=20)**
Not Important	66.70%	75.00%
Somewhat Important	33.30%	10.00%
Very Important	0%	15%

Expected deterioration in collateral values

	Cerebro 3Q21 (6 Months) Non-Banks (n=9)	Cerebro 4Q21 Non-Banks (n=20)
Not Important	33.30%	50.00%
Somewhat Important	55.60%	35.00%
Very Important	11.10%	15.00%

Expected reduction in competition from other lenders

	Cerebro 3Q21 (6 Months) Non-Banks (n=9)	Cerebro 4Q21 Non-Banks (n=20)
Not Important	55.60%	60.00%
Somewhat Important	33.30%	30.00%
Very Important	11.10%	10.00%

Expected reduction in risk tolerance

	Cerebro 3Q21 (6 Months) Non-Banks (n=9)	Cerebro 4Q21 Non-Banks (n=20)
Not Important	11.10%	15.00%
Somewhat Important	44.40%	55.00%
Very Important	44.40%	30.00%

Expected reduction in ease of selling loans in secondary market

	Cerebro 3Q21 (6 Months) Non-Banks (n=9)	Cerebro 4Q21 Non-Banks (n=20)
Not Important	55.60%	60.00%
Somewhat Important	22.20%	25.00%
Very Important	22.20%	15.00%

Expected deterioration in credit quality of loan portfolio

	Cerebro 3Q21 (6 Months) Non-Banks (n=9)	Cerebro 4Q21 Non-Banks (n=20)
Not Important	33.30%	45.00%
Somewhat Important	55.60%	55.00%
Very Important	11.10%	0.00%

Increased concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards

	Cerebro 3Q21 (6 Months) Non-Banks (n=9)	Cerebro 4Q21 Non-Banks (n=20)
Not Important	33.30%	45.00%
Somewhat Important	55.60%	30.00%
Very Important	11.10%	25.00%

Corresponding Federal Reserve Question
No similar question asked.
4Q20 31. If your bank expects to tighten or ease its credit standards for any of the loan categories reported in questions 27-30, how important are the following possible reasons for the expected change in standards?
A. Possible reasons for expecting to tighten credit standards:

4b. If you expect your lending institution to ease its credit standards for C&I loans, how important are the following possible reasons for the expected change in standards?

Expected improvement in your lending institution's capital or liquidity position

	Cerebro 3Q21 (6 Months) Non-Banks (n=18)	Cerebro 4Q21 Non-Banks (n=17)
Not Important	33.30%	5.88%
Somewhat Important	38.90%	64.71%
Very Important	27.80%	29.41%

Expected increase in collateral values

	Cerebro 3Q21 (6 Months) Non-Banks (n=18)	Cerebro 4Q21 Non-Banks (n=17)
Not Important	44.40%	41.18%
Somewhat Important	38.90%	23.53%
Very Important	16.70%	35.29%

Expected increase in competition from other lenders

	Cerebro 3Q21 (6 Months) Non-Banks (n=18)	Cerebro 4Q21 Non-Banks (n=17)
Not Important	5.60%	5.88%
Somewhat Important	27.80%	23.53%
Very Important	66.70%	70.59%

Expected increase in risk tolerance

	Cerebro 3Q21 (6 Months) Non-Banks (n=18)	**Cerebro 4Q21 Non-Banks (n=17)**
Not Important	11.10%	5.88%
Somewhat Important	88.90%	76.47%
Very Important	0%	18%

Expected increase in ease of selling loans in secondary market

	Cerebro 3Q21 (6 Months) Non-Banks (n=18)	**Cerebro 4Q21 Non-Banks (n=17)**
Not Important	66.70%	70.59%
Somewhat Important	33.30%	17.65%
Very Important	0%	12%

Expected improvement in credit quality of loan portfolio

	Cerebro 3Q21 (6 Months) Non-Banks (n=18)	**Cerebro 4Q21 Non-Banks (n=17)**
Not Important	38.90%	17.65%
Somewhat Important	50.00%	70.59%
Very Important	11.10%	11.76%

Reduced concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards

	Cerebro 3Q21 (6 Months) Non-Banks (n=18)	Cerebro 4Q21 Non-Banks (n=17)
Not Important	61.10%	35.29%
Somewhat Important	33.30%	47.06%
Very Important	5.60%	17.65%

Corresponding Federal Reserve Question
No similar question asked.
4Q20 31. If your bank expects to tighten or ease its credit standards for any of the loan categories reported in questions 27-30, how important are the following possible reasons for the expected change in standards?
A. Possible reasons for expecting to credit standards:

5. Looking ahead over the next six (12) months, how are changes in the macroeconomy likely to impact your lending business? Please check all that you feel apply:

	Cerebro 3Q21 (6 months) Non-Banks (n=65)	Cerebro 4Q21 (12 months) Non-Banks (n=73)
The macroeconomic environment has minimal effect on our lending decisions.	21.50%	23.29%
We anticipate relaxing our credit standards as the macroeconomy strengthens.	16.90%	19.18%
We anticipate tightening our credit standards as the macroeconomy weakens.	24.60%	38.36%
We are anticipating a weakening economy that will disadvantage our competitors and this, in turn, will provide us with expanding opportunities to extend credit.	40.00%	52.05%
We anticipate a strengthening economy that will likely lead to an expanding supply of credit and less attractive opportunities for our institution to extend credit.	20.00%	10.96%

Corresponding Federal Reserve Question
No similar question asked.

6. Over the next 6 (12) months, how do you expect demand for C&I loans from your lending institution to change compared to its current level, apart from normal seasonal variation?

	Cerebro 3Q21 (6 months) Non-Banks (n=65)	**Cerebro 4Q21 (12 months) Non-Banks (n=73)**
Strengthen substantially	12.30%	8.22%
Strengthen somewhat	63.10%	54.79%
Remain basically unchanged	16.90%	27.40%
Weaken somewhat	7.70%	9.59%
Weaken substantially	0%	0%

Corresponding Federal Reserve Question
No similar question asked.
4Q20 Q32. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect **demand** for the following categories of **C&I loans** from your bank to change over 2021 compared with its current level, apart from normal seasonal variation?

A. Compared with its current level, over 2021, my bank expects **demand** for **C&I loans or credit lines to large and middle-market firms** from my bank to:

7. Over the next 6 (12) months, what is your outlook for delinquencies and charge-offs on your lending institution's C&I loans?

	Cerebro 3Q21 (6 months) Non-Banks (n=64)	Cerebro 4Q21 (6 months) Non-Banks (n=73)
Improve substantially	1.60%	5.48%
Improve somewhat	15.60%	9.59%
Remain around current levels	73.40%	73.97%
Deteriorate somewhat	9.40%	9.59%
Deteriorate substantially	0%	1%

Corresponding Federal Reserve Question
No similar question asked.
4Q20 36. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and charge-offs on your bank's **C&I loans** in the following categories in 2021? C. The quality of my bank's ***nonsyndicated*** **C&I loans to large and middle-market firms** over 2021, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to: