

**Supporting Statement (Part B) for the
Survey of Information Sharing Practices with Affiliates
(FR 3214e; OMB No. 7100-0318)**

The Paperwork Reduction Act of 1995 requires that Federal agency information collections employ effective and efficient survey and statistical methodologies appropriate to the purpose for which the information is to be collected. It further directs the Office of Management and Budget (OMB) to develop and oversee the implementation of Government-wide policies, principles, standards, and guidelines concerning statistical collection procedures and methods. In January 2006, OMB issued guidance¹ that provides details about the OMB review process, assistance in strengthening supporting statements for information collection requests, and, most importantly, advice for improving information collection designs.

This supporting statement (Part B) addresses how the Federal Reserve proposes to collect and use the FR 3214e survey in order for OMB to properly evaluate this information collection. The following discussion is based on the *Question and Answers When Designing Surveys for Information Collections* document.

Respondent selection

The reporting panel will be selected based on three asset size categories, whether the state member bank (SMB) is known to have affiliates with which it can share information, and whether it is likely to use consumer information. The proposed panel size of sixty SMBs was chosen to keep the sample size comparable to the proposed panels of the other Agencies and to minimize the number of SMBs that would be asked to participate, consistent with the need to collect adequate data. For future triennial surveys, the Federal Reserve anticipates that panels would be selected based on the same three asset categories. The actual respondents in each category would likely change over the years because of structural changes such as mergers and asset growth

Generalization beyond the specific respondents selected

The Federal Reserve will summarize the study's findings based on the responses to the survey and does not expect to generalize or attribute any findings to a larger population.

Pre-testing

In response to comments received and in an effort to ensure that the Federal Reserve is able to provide a more informed report to the Congress, the Federal Reserve conducted testing (through telephone interviews) with three financial institutions. In general, the test institutions indicated that the Survey would not cause undue burden on respondents. In addition, the test institutions provided feedback on the format,

¹ http://www.whitehouse.gov/omb/inforeg/pmc_survey_guidance_2006.pdf

instructions, and content of the Survey. As a result, the Federal Reserve has modified the final Survey instrument and instructions.

Methods used to collect the information

The Federal Reserve will conduct a non-statistical, qualitative survey of approximately sixty SMBs. Staff at the twelve Reserve Banks will contact, via telephone, potential respondents in advance to determine their willingness to participate in the voluntary survey. The Reserve Banks will send the paper-based survey instrument to willing participants and will offer the respondents the opportunity to respond in writing or through a follow-up telephone interview with Reserve Bank staff, whichever is the least burdensome for the institution. To ensure that high quality data are obtained and maintained the Federal Reserve will adhere to the *Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by the Federal Reserve Board*.²

Justification for not using statistical method

The Federal Reserve is not conducting a statistical survey because a qualitative survey should provide the data necessary to respond to the specific information requested by the Congress. Further, sending the qualitative survey to a limited number of SMBs should reduce the overall burden on the industry.

² Available on the Federal Reserve's public web site:
<http://www.federalreserve.gov/GeneralInfo/Section515/default.htm>