

**Supporting Statement B for the
Survey of Finance Companies
(FR 3033s; OMB No. 7100-0277)**

Overview of Statistical Methods

Statistical Methods

The Board proposes keeping the FR 3033s survey sample size at 3,000 finance companies, as in 2010. As a result of the FR 3033p responses, the Board identified the universe of finance companies for the survey.¹ The survey is stratified by size of total assets and by specialization in receivables. The survey sample includes all FR 3033p respondents that reported at least \$1 billion in total assets. For coverage of smaller respondents², the main survey sample includes a sufficient number of companies with assets under \$1 billion to provide adequate representation for the expected analytical purposes.

In 2010, the Board sent the survey to 2,348 finance companies and received 911 responses (39 percent). After additional data cleaning, 692 of these 911 responses were deemed to be usable. The 2010 population size, total sample, and the number of usable responses in each stratum are shown in Table 1.

Given that the universe of finance companies has most likely changed since December 2010, error estimates based on the 2010 data must be interpreted as a rough guideline for the census panel structure. The Board calculated the standard errors of aggregate levels of finance company receivables in selected balance sheet categories in Table 2. Response rates for the upcoming FR 3033s may fall below the level of 2010, but the Board will make a concerted effort to raise response rates, and the estimated standard errors would fall if this effort is successful.

¹ The Board has the following pre-determined set of characteristics to internally determine if the respondent is a finance company. A finance company is defined as (1) a domestic entity, (2) a company with 50 percent or more of its assets in the form of loans or leases, and (3) a nondepository institution.

² For the purposes of this proposal, the term small or smaller respondent or company is defined as a company that reports less than \$1 billion in assets.

Table 1
Survey Response Distribution by Asset Size of Finance Company

Asset size	2010 FR 3033p Estimated population	2010 FR 3033s Total sample	2010 FR 3033s Number of usable responses
Less than \$1 million	2,339	943	170
\$1 to less than \$10 million	1,348	702	200
\$10 to less than \$100 million	1,261	472	186
\$100 million to less than \$1 billion	290	153	88
\$1 to less than \$3 billion	63	39	15
\$3 to less than \$20 billion	25	21	16
\$20 billion or more	20	18	17
Totals	5,346	2,348	692

Table 2
Standard Errors of Aggregate Levels of Finance Company
Receivables in Selected Balance Sheet Categories
(\$ in billions with % of outstanding in parentheses)

Financial items	2010 Panel size
	2,348
	Number of usable responses
	692
Total	41.77 (2.22)
Total consumer	26.15 (3.20)
Motor vehicle	9.24 (2.37)
Revolving	5.43 (6.49)
Other	12.83 (3.72)
Real estate	7.19 (2.91)
Total business	17.17 (4.13)
Motor vehicle	4.65 (3.94)
Equipment	9.16 (4.38)
Other	3.86 (4.36)
Bank loans	6.56 (6.79)

To cope with the expected level of nonresponse to the survey, the Board intends to select a subsample of non-respondents for further follow-up that would include both additional letters and phone calls. The follow-up study would explore nonresponse bias and would include questions related to, but not necessarily identical to, the survey questions. These follow-up questions may be helpful in understanding the key dimensions of nonresponse.