

## **Supporting Statement Part B for the Senior Financial Officer Surveys (FR 2023; OMB No. 7100-0223)**

### **Summary**

For all information collections that involve surveys or require a statistical methodology, the Board of Governors of the Federal Reserve System (Board) is required to provide a complete justification and explanation of the use of such a methodology. For collections that employ surveys without such a methodology, the Board should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results.

### **Background**

The Board uses Senior Financial Officer Surveys to obtain information about deposit pricing and behavior, bank liability management, the provision of financial services, and reserve management practices. Surveys conducted under the FR 2023 help pinpoint developing trends in bank funding practices, enabling the Board to distinguish these trends from transitory phenomena. The FR 2023 also complements other deposit reports that, by themselves, provide limited insight into the causes of the changing behavior of deposit holders and depository institutions. Moreover, the FR 2023 has given the Board the opportunity to follow periodic developments in financial markets related to extraordinary events that are beyond the scope of other reports. Before initiating a new survey, the Board would determine if the information to be collected is available by other means or sources within the Federal Reserve System to avoid duplication.

Both the frequency and the content of the Senior Financial Officer Surveys have been, and will continue to be, determined by exigencies. The surveys do not have a fixed set of questions; each survey consists of a limited number of both qualitative and quantitative questions directed at topics of timely interest. To the extent possible, the Federal Reserve notifies respondents in advance as to the topic(s) to be covered in an impending survey. In extraordinary circumstances, when such notice is not possible, the decision to waive this advance notice provision would be made only by Federal Reserve officials. The survey is generally completed through electronic submission by a senior financial officer at each respondent bank. If they prefer, banks also have the option of responding through a telephone interview conducted either by a Reserve Bank officer or senior-level Federal Reserve Board staff member who has expertise in the area of bank liability management, or by a Board staff member, as appropriate. The surveys are voluntary.

### **Universe and Respondent Selection**

The primary panel of respondents is identical to the U.S. commercial bank subset of respondents for the Senior Loan Officer Opinion Survey (FR 2018; OMB No. 7100-0058) and

currently comprises 80 large, domestically chartered commercial banks.<sup>1</sup> To ensure adequate geographic coverage, the survey panel spans all Federal Reserve Districts. As of March 31, 2017, the assets of the panel banks totaled \$11.8 trillion and accounted for about 69 percent of the \$17.0 trillion in total assets at domestically chartered institutions. The overlap between the reporting panels of the FR 2018 and FR 2023 surveys aids the Board in interpreting the data received.

The primary panel of large domestically chartered commercial banks would be appropriate for most survey topics. In some situations, however, panels based on alternative criteria may be more appropriate or may provide useful additional information. Consequently, the Board may survey other types of respondents (such as other depository institutions, bank holding companies, or other financial entities) in addition to the primary panel. For example, it may be useful to survey foreign banking organizations to gain better insight into the demand for reserves at these institutions, or institutional loan investors to gain a better understanding of the syndicated loan market. This option enhances the potential scope and utility of the survey and is consistent with the uses of the FR 2018. The surveys of optional panels would be conducted either by the Reserve Banks or the Board, as appropriate.

### **Procedures for Collecting Information**

The survey is generally completed through electronic submission by a senior financial officer at each respondent bank. If they prefer, banks also have the option of responding through a telephone interview conducted either by a Reserve Bank officer or senior-level Federal Reserve Board staff member who has expertise in the area of bank liability management, or by a Board staff member, as appropriate. Surveys are conducted as-needed on topics of timely interest, up to four times a year.

Only aggregate survey results will be reported. While the sample will be chosen to permit some inference into the general behavior of depository institutions or financial markets—for example, as noted in footnote 1, the selected large institutions will provide a broad view of the banking system—no formal stratification or “blow-up” factors will be used to directly estimate for a fixed universe.

### **Methods to Maximize Response**

Respondents will be sent email reminders requesting a response. This survey is not based on statistical sampling, and no correction for non-response bias is necessary.

---

<sup>1</sup> The Board tries to maintain the full authorized panel of 80 insured, domestically chartered commercial banks on the FR 2018. The panel is heavily weighted towards large complex banking organizations, but also includes a fair number of large and medium-sized regional banks, which allows for a greater diversity of responses and provides a broader view of the banking system. In addition, the FR 2018 reporting panel also has a subset composed of large U.S. branches and agencies of foreign banks. These institutions are not included in the primary FR 2023 panel because most of their funding operations are in the wholesale, not retail, market or in their home countries. However, should the need arise, U.S. branches and agencies could be surveyed as an optional panel.

## **Testing of Procedures**

The survey procedures are very similar to those used in the long-standing FR 2018, which has been conducted and published several times a year for many years.