

**OMB Supporting Statement for the  
Policy Impact Survey  
(FR 3075; OMB No. 7100-0362)**

**Summary**

The Board of Governors of the Federal Reserve System (Board), under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, without revision, the Policy Impact Survey (FR 3075; OMB No. 7100-0362). This survey collects information from select institutions regulated by the Board in order to assess the effects of proposed, pending, or recently-adopted policy changes at the domestic and international levels.<sup>1</sup> For example, the survey has been used to collect information used for certain quantitative impact studies (QISs) sponsored by bodies such as the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB). Recent collections have included the Basel III monitoring exercise, which monitors the global impact of the Basel III framework,<sup>2</sup> the global systemically important bank (G-SIB) exercise, which assesses firms' systemic risk profiles,<sup>3</sup> and a survey of the domestic systemic risk footprint of large foreign banking organizations. Since the collected data may change from survey to survey, there is no fixed reporting form.

The surveys would be conducted on a voluntary basis. The number of respondents per survey and the number of surveys conducted per year may fluctuate. Based on past use of the FR 3075, the Board estimates that the survey would be conducted approximately five times per year, with an average of 14 respondents per survey. The annual reporting burden for the FR 3075 would be capped at 59,500 hours.

**Background and Justification**

The Board has maintained a commitment to participate in surveys that are designed to test, calibrate, or monitor new and potential changes to regulatory policy so that the impact of policy changes on domestic institutions can be appropriately evaluated prior to their proposal.<sup>4</sup> Due to the speed with which the surveys are conducted, there is often not enough time to incorporate them into the standardized regulatory reporting framework. In fact, some collections have been completed in as little as two weeks. Moreover, the collections are not strong candidates for permanent adoption into the regulatory reporting framework due to their transient nature.

The Board implemented the FR 3075 information collection in September 2014. The

---

<sup>1</sup> Respondents may include bank holding companies (BHCs), savings and loan holding companies (SLHCs), nonbank financial companies that the Financial Stability Oversight Council has determined should be supervised by the Board, and the combined domestic operations of foreign banking organizations.

<sup>2</sup> For more information on the Basel III monitoring exercise, including recent examples of QIS surveys sponsored by BCBS and conducted by the Board, see [www.bis.org/bcbs/qis/](http://www.bis.org/bcbs/qis/).

<sup>3</sup> For more information on the G-SIB exercise, see [www.bis.org/bcbs/gsib/](http://www.bis.org/bcbs/gsib/).

<sup>4</sup> These QISs cover a wide range of topics and can involve solitary ad hoc collections or repetitive iterations of the same or similar collections for the purposes of constructing a time series. Recent QISs have captured data related to capital, leverage, liquidity, counterparty credit risk, securitization, large exposures, and systemic risk.

FR 3075 has been used to collect a range of information, including data on Basel III, systemic footprint, insurance underwriting, and trading book securitization.

### **Description of Information Collection**

The FR 3075 allows the Board to collect information regarding the impact of potential changes in regulation. Since each survey would reflect the most current policy variants being considered, the number, type, and definition of specific data items cannot be predicted well in advance. Qualitative data collected might include questions that are categorical, yes-no, ordinal, and open-ended. Quantitative data collected might include dollar amounts, percentages, numbers of items, interest rates, and other such information pertaining to the activities of a financial institution. As noted, using the FR 3075, the Board anticipates conducting five surveys per year, from an average of 14 respondents per survey. The annual reporting burden for the FR 3075 would be capped at 59,500 hours.

### **Time Schedule for Information Collection and Publication**

The data submission timeline for each survey is determined prior to the distribution of the survey materials. In soliciting participation, the Board explains to respondents the purpose of the survey and how the data would be used.

The Board will choose whether to publish survey data that it obtains from respondents and will inform the respondents beforehand if the data are to be published on an individual-institution basis. Depending upon the nature of the data collection, the survey data may be confidential. Aggregate survey information may be cited in published material such as Board studies or working papers, proposed or final rules, professional journals, the *Federal Reserve Bulletin*, testimony and reports to the Congress, or other vehicles.

### **Legal Status**

The Board is authorized to collect the information in the FR 3075 from bank holding companies (and their subsidiaries) under section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)); from savings and loan holding companies under section 10(b)(2) of the Home Owners Loan Act (12 U.S.C. 1467a(b)(2)); from non-BHC/SLHC systemically important financial institutions under section 161(a) of the Dodd-Frank Act (12 U.S.C. 5361(a)); from the combined domestic operations of certain foreign banking organizations under section 8(a) of the International Banking Act of 1978 (12 U.S.C. 3106(a)) and section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)); from state member banks under section 9 of the Federal Reserve Act (12 U.S.C. 324); from Edge and agreement corporations under sections 25 and 25A of the Federal Reserve Act (12 U.S.C. 602 and 625) and from U.S. branches and agencies of foreign banks under section 7(c)(2) of the International Banking Act of 1978 (12 U.S.C. 3105(c)(2)) and under section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)). These surveys would be conducted on a voluntary basis.

The confidentiality of information provided by respondents to the FR 3075 surveys will be determined on a case-by-case basis depending on the type of information provided for a

particular survey. Depending upon the survey questions, confidential treatment may be warranted under exemptions 4, 6, and 8 of the Freedom of Information Act (5 U.S.C. 552(b)(4), (6), and (8)).

### **Consultation Outside the Agency**

Surveys conducted under the FR 3075 may include data collections sponsored by bodies such as the BCBS and the FSB.

### **Public Comments**

On February 16, 2018, the Board published an initial notice in the *Federal Register* (83 FR 7038) requesting public comment for 60 days on the extension, without revision, of the FR 3075. The comment period for this notice expired on April 17, 2018, and the Board received one comment from a trade association.

The commenter expressed appreciation for QISs, and indicated that members of the trade association continue to participate in the voluntary surveys because of the surveys' importance for the calibration of international standards. The commenter included five recommendations for helping the Board maximize the utility of QISs.

The commenter's first recommendation was that the Board work with the Basel Committee to move QIS submission due dates to quarters, such as the second quarter, during which stress testing and other regulatory reporting requirements do not require significant resources from respondent institutions. Although the timeline for development of QISs is not under the Board's control, the Board has communicated the commenter's concern regarding the timing of QIS submission dates to the Basel Committee QIS working group. In cases where there is flexibility to move a QIS submission date by one or two weeks, the Board will work with the Basel Committee to avoid coincidence with significant reporting deadlines to the extent feasible. However, because the typical timeframe for the entire QIS process is six months and the international working groups often require three or more months to develop a QIS, the Board has a limited window for submission dates that would allow for cleaning the data and a full analysis of results.

The commenter's second and third recommendations were to leverage data available from other reporting forms to gather data that respondents would otherwise report on the QIS, and, to the extent feasible, to minimize inconsistency between QIS definitions and established market and regulatory definitions. The Board agrees that the goals of minimizing duplication and promoting consistent definitions are worthwhile. To minimize duplication, the Board already periodically reviews QISs and eliminates data items that have become available through other reporting channels. The Board will continue to work with the sponsoring body of a collection to identify established market and regulatory definitions and to minimize any inconsistency when feasible.

The commenter's fourth recommendation was to release for notice and comment any QIS that gathers data for the purpose of calibrating international standards. The Board welcomes

feedback on current and future QISs from firms both formally, through frequently asked questions (FAQs), and informally via newly instituted QIS outreach sessions, ad hoc discussions, and e-mails. As a general matter, however, the Board is unable to guarantee the release of QISs for notice and comment because international working groups often require three or more months to develop QISs, and the typical timeframe for the entire QIS process is six months. The full notice-and-comment period under the PRA for information collections is 60 days. In order to alter such a proposed QIS prior to its finalization, the international working groups that develop the QIS would need to reconvene and the development process would need to be reopened. Given these constraints, the Board may have insufficient time to conduct the final survey and analyze the results within the typical six-month QIS timeframe. However, when a QIS template is available in advance of the planned distribution date, the Board works to distribute the templates to respondents early for information purposes, and when time allows, to obtain feedback. The Board has sent several proposed collections to firms for feedback in advance of the due date, including the end-December 2017 Basel Monitoring collection, and the newly proposed Basel III Monitoring Capital and Liquidity collections. Upon receiving feedback from firms, the Board, in conjunction with the Basel Committee QIS working group, often revises the templates and applies the feedback to subsequent templates in order to enhance the relevance and quality of collected data.

The commenter's final recommendation was for the Board to recognize QIS data limitations when applying international standards to U.S. institutions. The commenter noted the example of a QIS for the largest financial institutions in connection with Basel III, arguing that it did not capture the impact of the proposals on all segments of the U.S. banking sector, its customers, and the broader U.S. economy. The Board recognizes the limitations of QIS data and confirms that QISs are a tool that serves as a starting point for assessing the impact of proposals.

On January 31, 2019, the Board published a final notice in the *Federal Register* (84 FR 721).

### **Estimate of Respondent Burden**

The annual burden for the proposed FR 3075 survey is estimated to be 59,500 hours as shown in the table below. The number of respondents is based on the average number of responses anticipated per survey conducted. Because the number of surveys will fluctuate depending on the number and types of policies being developed, it is not possible to predict exactly how many will be conducted in a given year. For the purposes of this estimate, it is assumed that the survey will be conducted up to 5 times per year. Based on previous data collections, the Board estimates that the average time per response will be about 850 hours. These reporting requirements represent less than 1 percent of total Federal Reserve System paperwork burden.

	<i>Number of respondents<sup>5</sup></i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FR 3075	14	5	850	59,500

The total cost to the public is estimated to be \$3,334,975.<sup>6</sup>

### **Sensitive Questions**

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

### **Estimate of Cost to the Federal Reserve System**

The cost of the surveys depends on the size of the sample, the number of questions asked, the type and complexity of the questions asked, and the frequency of the surveys. The cost to the Federal Reserve System for the FR 3075 is estimated to be \$200,000.

<sup>5</sup> Of these respondents, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets) [www.sba.gov/document/support--table-size-standards](http://www.sba.gov/document/support--table-size-standards).

<sup>6</sup> Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$18, 45% Financial Managers at \$69, 15% Lawyers at \$68, and 10% Chief Executives at \$94). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2017*, published March 30, 2018, [www.bls.gov/news.release/ocwage.t01.htm](http://www.bls.gov/news.release/ocwage.t01.htm). Occupations are defined using the BLS Occupational Classification System, [www.bls.gov/soc/](http://www.bls.gov/soc/).