

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

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

Since June 1955, the Board has surveyed the finance companies at five-year intervals. In 1980, the survey was split into an extremely brief screening survey to determine eligibility and a longer survey for detailed assets and liabilities information from confirmed finance companies. The FR 3033p is the first stage screening survey to all companies that meet criteria developed to identify the potential universe of domestic finance companies. An accurate census is required to form a representative sample of finance companies, to which the more detailed FR 3033s would be sent. Together they will help the Federal Reserve to benchmark a monthly data series on major assets and liabilities of finance companies (FR 2248; OMB No. 7100-0005) which forms the foundation for two monthly statistical releases (G.19 and G.20) and one quarterly release (Z.1). Information from the quinquennial survey also provides the Board with an opportunity to learn about an important, and understudied, part of the financial system.

Universe and Respondent Selection

The Board proposes to send the census form to up to 40,000 companies which, based on our experience with 2015 census, may meet the requirements for forming a sample frame. In 2015, The Board sent out approximately 37,000 censuses via mail. Excluding those forms that were returned by the post office as undeliverable, the overall response rate was 32.8 percent. The response rate for the upcoming information collection is estimated to be around 30 percent.

Procedures for Collecting Information

Given the five-year frequency for the FR 3033p, the Board believes a census rather than a sample of all likely companies in the universe of finance companies and other lenders are appropriate and necessary.

Methods to Maximize Response

To improve the response rate for the census, the Board is planning to conduct census mailings with a pre-survey notification letter, initial mailing, a second-wave mailing of the entire survey package to nonrespondents 15 days after the previous mailing, and a postcard reminder

sent to nonrespondents approximately 10 days after each wave of mailing. In addition, a web-based survey will also be available to respondents and provide an additional mode of response. The Board is exploring ways to minimize the number of mail returns that are deemed undeliverable.

To cope with the expected level of nonresponse to the census, the Board intends to select a subsample of up to 4,000 nonrespondents for further follow-up with phone calls.

Comparison of the characteristics between this subsample and the general population would form the basis for the nonresponse bias study for the census and consequently serve to shape the design of the sample for the FR 3033s.

Testing of Procedures

None.