

**Supporting Statement Part B for the  
Weekly Report of Selected Assets and Liabilities of Domestically Chartered  
Commercial Banks and U.S. Branches and Agencies of Foreign Banks  
(FR 2644; OMB No. 7100-0075)**

## **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 FR 2644 is a balance sheet report that is collected as of each Wednesday from an authorized stratified sample of 875 domestically chartered commercial banks and U.S. branches and agencies of foreign banks. The FR 2644 is the only source of high-frequency data used in the analysis of current banking developments. The FR 2644 collects sample data that are used to estimate universe levels for the entire commercial banking sector in conjunction with data from the quarterly commercial bank Consolidated Reports of Condition and Income (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036) and the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002; OMB No. 7100-0032) (Call Reports). Data from the FR 2644 and the Call Reports are utilized in construction of weekly estimates of U.S. bank credit, balance sheet data for the U.S. commercial banking sector, and sources and uses of banks' funds, and to analyze current banking developments, including the monitoring of broad credit and funding conditions. The Board publishes the data in aggregate form in the weekly H.8 statistical release, *Assets and Liabilities of Commercial Banks in the United States*, which is followed closely by other government agencies, the banking industry, financial press, and other users.<sup>1</sup> The H.8 release provides a balance sheet for the commercial banking industry as a whole as well as disaggregated data for three bank groups: large domestically chartered banks, small domestically chartered banks, and U.S. branches and agencies of foreign banks.

## **Universe and Respondent Selection**

The FR 2644 panel has an authorized maximum respondent panel size of 875 domestically chartered commercial banks and U.S. branches and agencies of foreign banks. Currently, the panel consists of 792 total reporters—727 domestically chartered banks and 65 foreign-related institutions<sup>2</sup>—covering all 12 Federal Reserve districts. The panel accounts for about 89 percent of the total assets of U.S. commercial banks, as well as a high level of coverage for most reported items. While the number of panel respondents tends to run below the authorized size due to mergers among reporters and loss of respondents due to the voluntary

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<sup>1</sup> The H.8 release is available on the Board's website, <http://www.federalreserve.gov/releases/h8/current/default.htm>.

<sup>2</sup> As of March 31, 2021. Two branches in the Second District file combined reports on the FR 2644.

nature of the collection, the current number of respondents is unusually low relative to the authorized size because the recruitment of new respondents was temporarily paused with the onset of the COVID-19 pandemic in 2020.

Quarterly Call Reports are used to benchmark the universe estimates of small domestically chartered banks<sup>3</sup> and foreign-related institutions. Average revisions to the estimates of small banks over the last 16 benchmarks—from March 2017 to December 2020—were somewhat larger than those over the previous renewal cycle, while those for the foreign-related institutions shrank considerably. While the average revisions are not overly large, they are still significant. Even so, the Board reduced the authorized panel size from 875 to 850 in light of the continuing consolidation in the commercial bank universe as well as the ongoing difficulty in attracting and maintaining respondents due to the voluntary nature of this collection.

### **Procedures for Collecting Information**

The FR 2644 currently collects 29 balance-sheet items and 2 memoranda items as of each Wednesday from an authorized maximum stratified sample of 875 domestically chartered commercial banks and U.S. branches and agencies of foreign banks.

The FR 2644 report continues to be submitted weekly, as of the close of business each Wednesday. Weekly data are needed for accurate and timely construction of universe estimates used in the analysis of current banking developments. The balance sheet series are calculated and published weekly. The various data series are routinely monitored by staff and regularly included in materials prepared for the Board of Governors, the Federal Open Market Committee, and in public reports (including, for example, the semiannual Monetary Policy Report to Congress). Monitoring of these weekly data has also proven important during periods of rapid change in banking conditions or of volatility in financial markets. If these data were available on a less timely basis, staff's ability to monitor banking conditions, particularly during periods of rapid change or volatility, would be hindered.

### **Methods to Maximize Response**

The process to recruit respondents for the FR 2644 panel uses an automated program, Centralized Panel Maintenance System (CPMS), which, after verifying that there is still room on the panel based on outstanding panel requests, selects one replacement bank randomly each day based on panel needs. The largest banks are asked first; however, a bank cannot be asked to join the panel more than once every two years. When the program exhausts the largest banks, recruitment moves to strata needs. The estimation process for the H.8 release works most efficiently with at least the minimum number of banks in each stratum. In addition, banks can be asked to join the panel to satisfy needs for the estimation of particular items; for instance, smaller banks with large amounts of commercial real estate loans are targeted. Responses to the panel requests may take several months, including preparation time.

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<sup>3</sup> Small domestic banks are those not in the top 25 in asset size as of each quarterly Call Report.

## **Testing of Procedures**

There is no testing of procedures.