

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 bank reserve management practices, deposit pricing and behavior, liability management, provision of financial services, and use of Federal Reserve liquidity facilities. 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. In recent years, the Board has conducted two surveys per year, but it may conduct up to four surveys per year when significant informational needs arise that cannot be met from existing data sources. 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 by email 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. Surveys are completed by senior officers at respondent institutions. Survey questions are sent to, and replies received from, respondents via email. Follow-up telephone responses may be conducted, as necessary.

Universe and Respondent Selection

The FR 2023 panel is comprised of up to 80 large institutions, which include domestic depository institutions and foreign banking organizations. The panel of firms for each ad hoc survey in this collection is selected based on asset size, significance of presence in markets and activities that are the subject of the survey (e.g. overnight unsecured wholesale funding markets, reserve balance holdings), and responsiveness to previous collections.

This panel of large institutions is 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 credit unions 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.

Procedures for Collecting Information

The survey is generally completed through electronic submission by a senior financial officer at each respondent bank. The survey questions are sent to senior financial officers by email with an MS Excel template. Respondents send back a populated MS Excel workbook, but follow-up calls may occur if clarification is needed on responses. 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.

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.

Testing of Procedures

There are no testing of procedures for this information collection.