

**Supporting Statement B for the  
Senior Credit Officer Opinion Survey on Dealer Financing Terms  
(FR 2034; OMB No. 7100-0325)**

**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 the methodology. For collections that employ surveys without a statistical methodology, the Board should be prepared to justify its decision not to use statistical methods in any case in which such methods might reduce burden or improve accuracy of results.

This voluntary, partially ad hoc survey<sup>1</sup> collects qualitative and limited quantitative information from senior credit officers at responding financial institutions on (1) stringency of credit terms, (2) credit availability and demand across the entire range of securities financing and over-the-counter derivatives transactions, and (3) the evolution of market conditions and conventions applicable to such activities. The FR 2034 survey is conducted quarterly, and contains 79 core questions divided into three broad sections, one optional question, as well as additional questions on topics of timely interest.

**Background**

The FR 2034 survey was originally modeled after the long-established Senior Loan Officer Opinion Survey on Bank Lending Practices (FR 1818; OMB No. 7100-0058), which provides qualitative information on changes in the supply of, and demand for, bank loans to businesses and households. The information obtained from the FR 1818, which has been conducted in different forms since 1964, provides valuable insights on developments in the credit market and banking developments and informs the formulation of monetary policy.

This information has been particularly valuable in recent years because it has provided the Board with insight into the effects of financial conditions on the availability of credit to households and businesses. However, the global financial crisis highlighted that a significant volume of credit intermediation has moved outside of the traditional banking sector, which is the primary focus of the FR 1818. In addition, some of the instruments that are commonly used in connection with such intermediation (including for the financing of securities positions and over-

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<sup>1</sup> Certain criteria apply to information collections conducted under the Board's ad hoc clearance process. Such collections will (1) be reviewed and approved by the Board's clearance officer and the Division director of the sponsoring division, (2) display the appropriate OMB control number, expiration date, and PRA statement, (3) be used only in cases where the obligation to respond is voluntary, (4) be conducted only and exactly as described in the currently approved OMB submission, (5) involve only subject matter that is non-controversial and that will not raise concerns for other Federal agencies, (6) include a detailed justification of the effective and efficient statistical survey methodology that will be used to assess the data collected (if applicable), and (7) collect personally identifiable information (PII) only to the extent necessary (if collecting sensitive PII (SPII), the collection instruments must display the appropriate Privacy Act Statement). In addition, the information collection instruments and respondent burden will be tracked internally and submitted to OMB. The FR 2034 will not be used to substantially inform regulatory actions or policy decisions.

the-counter derivatives) may have functioned as transmission mechanisms for financial distress during the crisis by connecting seemingly separate parts of the financial system.

The Board therefore decided to expand the collection of qualitative information on the availability of credit and leverage beyond the traditional banking sector to the extension of credit by dealers. In 2010, the Federal Reserve implemented the FR 2034 to facilitate the regular collection and analysis of information representing the informed judgment of market participants on these additional forms of credit extension. Unlike the large domestically chartered commercial banks and branches and agencies of foreign banks that are respondents to the FR 2018, the FR 2034 targets respondents representing activities not conducted solely in a bank, but rather in several different legal entities, focused on the consolidated entity.

Given the Board's interest in financial stability, the information this survey collects is critical to the monitoring of credit markets and capital market activity. Information gathered from the core portion of the survey is also considered by the Federal Open Market Committee (FOMC) as it sets monetary policy. The information from the ad hoc section of the survey is not used to substantially inform regulatory actions or policy decisions. This information is not available from other sources.

### **Universe and Respondent Selection**

The FR 2034 panel comprises up to 25 U.S. banking institutions and U.S. branches and agencies of foreign banks, the majority of which are affiliated with a Primary Government Securities Dealer;<sup>2</sup> however, other types of respondents, such as other depository institutions, bank holding companies, or other financial entities, may be surveyed when appropriate. With respect to respondents that are primary dealers, the panel includes each primary dealer's consolidated entity, rather than the dealer itself. Respondents may also include institutions that, while not primary dealers, play a significant role in over-the-counter derivatives or securities financing activities.

### **Procedures for Collecting Information**

The survey is conducted once each quarter (May, August, November, and February) by the Statistics Function of the Federal Reserve Bank of New York. The survey is sent to the panel of respondents a few weeks in advance to review the questions. Once the survey is officially open, respondents two weeks to complete it. The Statistics Function electronically transmits the survey responses to the Board. The Board tabulates and summarizes the data in the Senior Credit Officer Opinion Survey on Dealer Financing Terms public release, which is made available on the Board's website.<sup>3</sup> In addition, selected aggregate survey results may be discussed in Governor's speeches, and may be published in *Federal Reserve Bulletin* articles and in the annual Monetary Policy Report to Congress.

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<sup>2</sup> A list of the current Primary Dealers in Government Securities is available at <https://www.newyorkfed.org/markets/primarydealers.html>.

<sup>3</sup> See <https://www.federalreserve.gov/data/scoos.htm>.

## **Methods to Maximize Response**

A respondent may decline to answer a particular question when answering would entail excessive burden. Experience has shown that only a small number of respondents decline to answer any particular question. Response rates overall have been high and resulted in adequate and informative answers.

## **Testing of Procedures**

There is no testing of procedures.