

**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 authority delegated by 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 certain types of 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.¹ The Board uses the survey to collect information used for certain quantitative impact studies (QISs)² sponsored by financial stability 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,³ the global systemically important bank (G-SIB) exercise, which assesses firms' systemic risk profiles,⁴ 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 are, and would continue to 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 7 times per year, with an average of 14 respondents per survey. The annual reporting burden for the FR 3075 would remain capped at 68,600 hours.

Background and Justification

As an active participant in a number of international prudential standard-setting and financial stability bodies, such as the BCBS and FSB, the Board frequently participates in surveys sponsored by these and other similar bodies 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. These QISs cover a wide range of topics and can involve one-time 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.

Due to the speed with which the surveys must be conducted, there is not enough time to incorporate them into the standardized regulatory reporting framework. In fact, some collections

¹ 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.

² A QIS is a survey of financial institutions that allows supervisors to assess the quantitative impact of policy changes.

³ 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/.

⁴ For more information on the G-SIB exercise, see www.bis.org/bcbs/gsib/.

have had a planning timeframe as short as two weeks. Moreover, due to their transient nature, the collections are not strong candidates for permanent adoption into the regulatory reporting framework.

The Board implemented the FR 3075 information collection in September 2014. The FR 3075 has been used to collect a range of information, including data on the Basel III international capital accord, systemic risk profiles of financial institutions, insurance underwriting, and trading book securitization.

The information collected by the FR 3075 is not available from other sources. The collected information is important to the Board's supervisory mission, and without the information, the Board would be less equipped to evaluate the potential impact that proposed policy changes would have on supervised institutions.

Description of Information Collection

The FR 3075 allows the Board to collect information regarding the impact of potential changes in regulation. The principal value of the FR 3075 is the flexibility it provides the Board to participate in multilateral data collection efforts related to rapidly evolving economic developments and global financial stability. Because these initiatives are often urgent and reflect the most current policy variants being considered, the number, type, and content of specific data items cannot be predicted far in advance.

Written qualitative questions or questionnaires may include categorical questions, yes-no questions, ordinal questions, and open-ended questions. Written quantitative surveys may request dollar amounts, percentages, numbers of items, interest rates, and other similar information. In soliciting participation, the Board explains to respondents the purpose of the survey and how the data would be used. Following a survey, the Board makes each survey instrument publicly available on the Board's OMB Public Docket.

Respondent Panel

The FR 3075 respondent panel consists of BHCs, SLHCs, any nonbank financial company that the Financial Stability Oversight Council has determined should be supervised by the Board, and the combined domestic operations of foreign banking organizations.

Time Schedule for Information Collection

The data submission timeline for each survey is determined prior to the distribution of the survey materials.

Public Availability of Data

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 external and internal publications.

Legal Status

Information collection under the FR 3075 is authorized by the Board's reporting authorities, which are located in section 5(c) of the Bank Holding Company Act⁵ for bank holding companies and their subsidiaries, section 10(b)(2) of the Home Owners' Loan Act⁶ for savings and loan holding companies and their subsidiaries, section 161(a) of the Dodd-Frank Act⁷ for nonbank financial companies supervised by the Board, section 8(a) of the International Banking Act and section 5(c) of the Bank Holding Company Act⁸ for the combined domestic operations of certain foreign banking organizations, section 9 of the Federal Reserve Act⁹ for state member banks, sections 25 and 25A of the Federal Reserve Act¹⁰ for Edge and agreement corporations, and section 7(c)(2) of the International Banking Act and section 7(a) of the Federal Deposit Insurance Act¹¹ for U.S. branches and agencies of foreign banks. Response to the FR 3075 is voluntary.

The questions asked on each survey will vary. The Board's ability to keep confidential responses to the FR 3075 must therefore be determined on a case-by-case basis. To the extent responses include nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent, such information may be kept confidential pursuant to exemption 4 of the Freedom of Information Act (FOIA).¹² Some survey responses may also contain information contained in or related to an examination of a financial institution, which may be kept confidential under exemption 8 of FOIA.¹³ To the extent a respondent submits personal, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of privacy, the respondent may request confidential treatment pursuant to exemption 6 of the FOIA.¹⁴

Aggregate survey information from the FR 3075 is not considered confidential and 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.

⁵ 12 U.S.C. § 1844(c).

⁶ 12 U.S.C. § 1467a(b)(2).

⁷ 12 U.S.C. § 5361(a).

⁸ 12 U.S.C. §§ 3106(a) and 1844(c).

⁹ 12 U.S.C. § 324.

¹⁰ 12 U.S.C. §§ 602 and 625.

¹¹ 12 U.S.C. §§ 3105(c)(2) and 1817(a).

¹² 5 U.S.C. § 552(b)(4).

¹³ 5 U.S.C. § 552(b)(8).

¹⁴ 5 U.S.C. § 552(b)(6).

Consultation Outside of Agency

Surveys conducted under the FR 3075 may include data collections sponsored by bodies such as the BCBS and the FSB. There has been no consultation outside the Federal Reserve System regarding the proposed extension, without revision, of the FR 3075.

Public Comment

On May 26, 2021, the Board published an initial notice in the *Federal Register* (86 FR 28345) requesting public comment for 60 days on the extension, without revision, of the FR 3075. The comment period for this notice expires on 7/26/2021.

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 3075 is capped at 68,600 hours. 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. The Board estimates the survey will be conducted up to 7 times per year, and the average time per response will be about 700 hours. The FR 3075 would represent less than 1 percent of total Federal Reserve System paperwork burden.

| | <i>Estimated average number of respondents¹⁵</i> | <i>Estimated annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|---------|---|---|---|--|
| FR 3075 | 14 | 7 | 700 | 68,600 |

The total cost to the public is estimated to be \$4,057,690.¹⁶

¹⁵ Of these respondents required to comply with this information collection, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$600 million in total assets), www.sba.gov/contracting/getting-started-contractor/make-sure-you-meet-sba-size-standards/table-small-business-size-standards.

¹⁶ 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 \$20, 45% Financial Managers at \$73, 15% Lawyers at \$72, and 10% Chief Executives at \$95). 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 2020, published March 31, 2021 <https://www.bls.gov/news.release/ocwage.t01.htm#>. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/

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.