

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

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 Senior Credit Officer Opinion Survey on Dealer Financing Terms (SCOOS) (FR 2034; OMB No. 7100-0325).¹ This voluntary, partially ad hoc survey² 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.

The estimated total annual burden for the FR 2034 is 688 hours.

Background and Justification

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-

¹ There is no formal reporting form for this collection of information (the FR 2034 designation is for internal purposes only).

² Certain criteria apply to information collections conducted via the Board's ad hoc clearance process. The ad hoc portion of this information collection shall (1) be vetted by the Board's clearance officer, as well as the Division director responsible for the information collection; (2) display the OMB control number; (3) inform respondents that the information collection has been approved; (4) be used only in such cases where a response is voluntary; (5) not be used to substantially inform regulatory actions or policy decisions; (6) be conducted only and exactly as described in the OMB submission; (7) involve only noncontroversial subject matter that will not raise concerns for other Federal agencies; (8) include a detailed justification of the effective and efficient statistical survey methodology (if applicable); and (9) collect personally identifiable information (PII) only to the extent necessary (if collecting sensitive PII, the form must display current Privacy Act notice). In addition, for each information collection instrument, respondent burden will be tracked and submitted to OMB.

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 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.

Description of Information Collection

The survey contains 79 core questions divided into three broad sections. The first section focuses on credit terms applicable to counterparties of different types, spanning a variety of different transactions. The second section contains credit terms applicable to over-the-counter derivatives counterparties, distinguishing among contracts referencing different underlying assets. The third section deals with information about the financing terms provided for certain security positions. The optional question requests feedback on any other issues relating to credit terms applicable to securities financing transactions and over-the-counter derivatives contracts. In addition, a small number of ad hoc questions relating to current developments in credit and capital markets are generally asked.

The Board understands that respondents use information technology to comply with these provisions. The survey is conducted through Qualtrics, a web interface designed and maintained by the Statistics Function of the Federal Reserve Bank of New York, with follow-up as necessary via telephone.

Respondent Panel

The FR 2034 panel comprises of 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;³ 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,

³ A list of the current Primary Dealers in Government Securities is available at <https://www.newyorkfed.org/markets/primarydealers.html>.

while not primary dealers, play a significant role in over-the-counter derivatives or securities financing activities.

Frequency and Time Schedule

The FR 2034 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 have two weeks to complete it. The Statistics Function electronically transmits the survey responses to the Board.

Public Availability of Data

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.⁴ 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.

Legal Status

The FR 2034 is authorized by sections 2A and 12A of the Federal Reserve Act (FRA). Section 2A of the FRA requires the Board and the Federal Open Market Committee (FOMC) maintain long-run growth of the monetary and credit aggregates commensurate with the economy's long run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates.⁵ Section 12A of the FRA further requires the FOMC to implement regulations relating to the open market operations conducted by Federal Reserve Banks with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country.⁶ The Board and FOMC use the information obtained through the FR 2034 to discharge these responsibilities. The FR 2034 is voluntary.

Although the Board discloses aggregate data about the responses it receives to the FR 2034, it generally does not disclose individual respondent information. To the extent that information submitted in response to the FR 2034 is made available to the public, it would not be considered confidential and would not raise a question of confidentiality. However, to the extent that the information that firms submit to the Board is not available to the public (or has not yet been made available to the public, but will be published at a later date), the information would qualify as confidential. This confidential information may be exempt from disclosure by the Board, pursuant to exemptions 4 and 8 of the Freedom of Information Act (FOIA).⁷ Exemption 4 covers confidential commercial or financial information that is customarily and actually treated

⁴ See <https://www.federalreserve.gov/data/scoos.htm>.

⁵ 12 U.S.C. § 225a.

⁶ 12 U.S.C. § 263.

⁷ 5 U.S.C. §§ 552(b)(4), (b)(8).

as private by its owner and provided to the government under an assurance of privacy.⁸ If a respondent firm does customarily and actually keep the information it submits to the Board confidential, this information would be exempt from disclosure under exemption 4. Exemption 8 covers matters contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions. Because the information submitted to the Board in the FR 2034 may be related to the reporting firms' condition and prepared for the use of the Board, an agency responsible for the regulation and supervision of financial institutions, the records containing this information may also be exempt from disclosure under exemption 8.

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

Public Comments

On January 13, 2025, the Board published an initial notice in the *Federal Register* (90 FR 2701) requesting public comment for 60 days on the extension, without revision, of the FR 2034. The comment period for this notice expires on March 14, 2025.

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 2034 is 688 hours. The burden estimate was adjusted up using the standard Board burden calculation methodology. Actual respondent burden for this survey would likely vary depending on how many of the authorized surveys are carried out and on the specific content of each questionnaire.⁹ These reporting requirements represent less than 1 percent of the Board's total paperwork burden.

FR 2034	<i>Estimated number of respondents</i> ¹⁰	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
SCOOS	25	4	6.88	688

The estimated total annual cost to the public for this collection is \$48,057.¹¹

⁸ See *Food Marketing Institute v. Argus Leader Media*, 139 S. Ct. 2356, 2364 (2019).

⁹ Actual burden underlying the assumed response time varies considerably not only from survey to survey, depending on the number and nature of the questions, but also among respondents for any one survey.

¹⁰ Of these respondents to this information collection, none of the respondents are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$850 million in total assets). Size standards effective March 17, 2023. See <https://www.sba.gov/document/support-table-size-standards>.

¹¹ Total cost to the responding public is estimated using the following formula: total burden hours, multiplied by the cost of staffing, where the cost of staffing is calculated as a percent of time for each occupational group multiplied by the group's hourly rate and then summed (30% Office & Administrative Support at \$23, 45% Financial Managers at \$84, 15% Lawyers at \$85, and 10% Chief Executives at \$124). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), Occupational Employment

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 estimated cost to the Federal Reserve System for collecting and processing this survey is \$39,200.

and Wages, May 2023, published April 3, 2024, <https://www.bls.gov/news.release/ocwage.t01.htm#>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.