



FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, with revision, the Survey of Small Business and Farm Lending (FR 2028; OMB No. 7100-0061). The revisions are effective for the December 31, 2020, as-of date with the transmission period beginning on January 18, 2021, based on loan activity over the fourth quarter 2020.

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

Office of Management and Budget (OMB) Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

SUPPLEMENTARY INFORMATION: A copy of the Paperwork Reduction Act (PRA) OMB submission, including the reporting form and instructions, supporting statement, and other documentation will be placed into OMB’s public docket files. These documents also are available on the Federal Reserve Board’s public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above.

On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA Submission, supporting statements, and approved collection of information instrument(s) are placed into OMB's public docket files.

Final Approval under OMB Delegated Authority of the Extension for Three Years, With Revision, of the Following Information Collection:

Report title: Survey of Small Business and Farm Lending.

Agency form number: FR 2028.

OMB control number: 7100-0061.

Effective Date: The revisions are effective for the December 31, 2020, as-of date with the transmission period beginning on January 18, 2021, based on loan activity over the fourth quarter 2020.

Frequency: Quarterly.

Respondents: Domestically chartered commercial banks.

Estimated number of respondents: FR 2028B: 250; FR 2028S: 250; FR 2028D: 398.

Estimated average hours per response: FR 2028B: 1.4; FR 2028S: 0.1; FR 2028D: 3.

Estimated annual burden hours: FR 2028B: 1,400; FR 2028S: 100; FR 2028D: 4,776.

General description of report: The Survey of Small Business and Farm Lending (previously the Survey of Terms of Lending) collects unique information concerning price and certain nonprice terms of loans made to businesses and farmers each quarter (February, May, August, and November). The FR 2028B collects detailed data on individual loans funded during the first full

business week of the mid-month of each quarter and the FR 2028S collects the prime interest rate for each day of the survey week from FR 2028B respondents. The FR 2028D provides focused and enhanced information on small business lending including rates, terms, credit availability, and reasons for their changes. The FR 2028D collects quarterly average quantitative data on terms of small business loans and qualitative information on changes and the reasons for changes in the terms of lending. From these sample data, estimates of the terms of business loans and farm loans extended are constructed. The aggregate estimates for business loans are published in the Federal Reserve Bank of Kansas City's quarterly release, *Small Business Lending Survey*, and aggregate estimates for farm loans are published in the statistical release, *Agricultural Finance Databook*.

Legal authorization and confidentiality: The FR 2028 is authorized by section 11(a)(2) of the Federal Reserve Act (12 U.S.C. 248(a)(2)), which authorizes the Board to require any depository institution to make such reports of its assets and liabilities as the Board may determine to be necessary or desirable to enable the Board to discharge its responsibilities to monitor and control monetary and credit aggregates. The FR 2028 survey submissions are voluntary.

Individual respondents may request that information submitted to the Board through a survey under FR 2028 be kept confidential. If a respondent requests confidential treatment, the Board will determine whether the information is entitled to confidential treatment on a case-by-case basis. The Board will consider whether information collected through these surveys may be kept confidential under exemption 4 for the Freedom of Information Act (FOIA), which protects privileged or confidential commercial or financial information (5 U.S.C. 552(b)(4)), or any other applicable FOIA exemption.

Current actions: On March 2, 2020, the Board published a notice in the *Federal Register* (85 FR 12298) requesting public comment for 60 days on the extension, with revision, of the FR 2028. The Federal Reserve proposed to implement changes to the form and instructions of the FR 2028D. The revisions consist of deleting and adding items, and modifying or clarifying instructions of existing data items. The Federal Reserve is making most of these changes in an effort to reduce reporting burden for firms, clarify the expectations around and the intent of reporting instructions and requirements, and to improve data quality. A limited number of revisions would add items to increase clarity in quantitative loan data. No changes are being made to the FR 2028B and FR 2028S. The comment period for this notice expired on May 1, 2020. The Board received two comment letters from two banks.

One commenter stated that the survey is burdensome and made a suggestion on how to reduce burden by formatting the requested data in a form that can be more easily automated and uploaded. Most of the revisions to the survey are intended to reduce respondent burden while still maintaining the survey's core purpose, which is to provide economists, policymakers, and the general public with crucial small business lending data. These revisions include the removal of over 35% of the survey line items and further clarification to the definition of a small business loan. These revisions should alleviate some of the burden incurred while gathering survey data. The current format of the data is used to collect the valuable qualitative data as well as the quantitative data. However, the Federal Reserve is exploring opportunities to move the survey to an automated platform that increases standardization of the data collection with other series collected by the Federal Reserve's Statistics business line. Another commenter supported the proposed revisions.

The Board adopted the extension, with revision, of the FR 2028 as originally proposed effective for the December 31, 2020, as-of date.

Board of Governors of the Federal Reserve System, July 13, 2020.

Michele Taylor Fennell,

Assistant Secretary of the Board.

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