Supporting Statement Part B for the
Weekly Report of Selected Assets and Liabilities of Domestically Chartered
Commercial Banks and U.S. Branches and Agencies of Foreign Banks
(FR 2644; OMB No. 7100-0075)

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 FR 2644 is a balance sheet report that is collected as of each Wednesday from an authorized stratified sample of 850 domestically chartered commercial banks and U.S. branches and agencies of foreign banks. The FR 2644 is the only source of high-frequency data used in the analysis of current banking developments. The FR 2644 collects sample data that are used to estimate universe levels for the entire commercial banking sector in conjunction with data from the quarterly commercial bank Consolidated Reports of Condition and Income (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036) and the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002; OMB No. 7100-0032) (Call Reports). Data from the FR 2644 and the Call Reports are utilized in construction of weekly estimates of U.S. bank credit, balance sheet data for the U.S. commercial banking sector, and sources and uses of banks' funds, and to analyze current banking developments, including the monitoring of broad credit and funding conditions. The Board publishes the data in aggregate form in the weekly H.8 statistical release, *Assets and Liabilities of Commercial Banks in the United States*, which is followed closely by other government agencies, the banking industry, financial press, and other users.[1] The H.8 release provides a balance sheet for the commercial banking industry as a whole as well as disaggregated data for three bank groups: large domestically chartered banks, small domestically chartered banks, and U.S. branches and agencies of foreign banks. The data are also used in constructing the commercial bank component of the Federal Reserve's G.19 release, *Consumer Credit*,[2] and the Federal Reserve Bank of New York's Reserve Demand Elasticity (RDE).[3]

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[1] The H.8 release is available on the Board's website, http://www.federalreserve.gov/releases/h8/current/default.htm.
[2] The G.19 release is available on the Board's website, https://www.federalreserve.gov/releases/g19/current/default.htm.
[3] The Reserve Bank of New York's Reserve Demand Elasticity (RDE) is available on the Federal Reserve Bank of New York's website, https://www.newyorkfed.org/research/reserve-demand-elasticity/#interactive.

Universe and Respondent Selection

       The FR 2644 panel has an authorized maximum size of 850 domestically chartered commercial banks and U.S. branches and agencies of foreign banks. Currently, the panel consists of 761 total reporters[4]—696 domestically chartered banks and 65 foreign-related institutions—covering all 12 Federal Reserve Districts. The panel accounts for about 89 percent of the total assets of U.S. commercial banks, as well as a high level of coverage for most reported items. The number of respondents is less than the authorized size due to mergers among reporters and loss of respondents due to the voluntary nature of the collection. The proposed reduction in reporting frequency for smaller institutions is intended to both address burden minimization for these banks as well as provide a mechanism to increase panel participation.

       Table 1 presents the number of reporters disaggregated by district and by bank group for the current panel.

Table 1
Number of Reporters on the Current FR 2644 Panel[5]

District	Domestically Chartered	Foreign-Related	Pending Replacements[6]
1	23	0	5
2	48	57	1
3	38	0	5
4	43	0	3
5	35	1	5
6	61	0	7
7	143	3	2
8	73	0	9
9	29	0	7
10	68	0	1
11	69	2	35
12	66	2	9
Total	**696**	**65**	**89**

       The current FR 2644 sample's coverage for each data item is included in Attachment 1. The accuracy of the sample can be assessed by the size of the revisions when the data are benchmarked to the quarterly Call Report data, which cover the full universe of commercial banks. The accuracy experienced with the current panel is presented in Table 2.a for small banks and Table 2.b for foreign-related institutions, summarizing the benchmark effects since the last renewal in 2022. While the average revisions are not overly large, they are significant. Therefore,

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[4] As of April 24, 2024.

[5] As of April 24, 2024, 761 respondents filed the FR 2644. There have been continuous efforts underway to restore the panel size to 850 reporters.

[6] These are the number of banks to which each district has sent out invitations to join the panel that have not yet been accepted or declined.

the Board recommends retaining the current authorized sample size of 850 respondents to avoid a deterioration in accuracy.

Table 2.a
Recent Benchmark Revisions to Estimates for Small Banks[7]
($ millions, n.s.a.[8])

Item	Root Mean Square Revision[9]	Maximum Absolute Revision	Average Level of Asset Item ($ billions)[10]	Root Mean Square Percentage Revision[11]
Bank Credit	14,791	27,017	5,322	0.28
U.S. Treasury and Agency Securities, MBS	3,025	7,325	626	0.48
U.S. Treasury and Agency Securities, non-MBS	4,704	11,961	267	1.76
Other Securities, MBS	740	1,581	38	1.94
Other Securities, non-MBS	1,508	2,358	374	0.40
CLD Loans	888	1,434	285	0.31
Farm Loans	463	1,108	99	0.47
Multifamily (Over 5) Loans	1,283	1,910	280	0.46
Nonfarm Nonresidential Loans	2,159	3,359	1,073	0.20
Closed-end 1-4 Family Loans	2,394	4,306	752	0.32
Revolving Home Equity Loans	388	808	93	0.42
Commercial and Industrial Loans	4,136	8,683	713	0.58
Credit Card and Other Revolving	495	1,131	162	0.30
Auto Loans	249	500	73	0.34
All Other Consumer Loans	1,790	4,024	167	1.07
Loans to Nondepository Fin Inst.	4,060	13,692	108	3.77
All Other Loans	836	1,589	212	0.39
Cash	8,706	19,617	568	1.53
Total Assets	**16,901**	**29,845**	**6,269**	**0.27**
Other Deposits	14,012	22,298	4,837	0.29
Large Time Deposits	2,437	6,201	437	0.56
Total Borrowings	6,105	12,953	334	1.83
Total Liabilities	**14,238**	**24,715**	**5,752**	**0.25**

The root mean square revision as a result of 12 quarterly benchmarks between March 2021 and December 2023 was $14.8 billion or 0.28 percent of the average level of bank credit. This measure implies that benchmarking revises quarterly bank credit growth estimates for small

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[7] Summary statistics are calculated for 12 quarterly benchmarks from March 2021 to December 2023.

[8] n.s.a. = not seasonally adjusted.

[9] The root mean square revision is the square root of the averaged sum of squared revisions. This term may also be referred to as the standard deviation of the revisions around zero.

[10] Average levels are averages of weekly data over the period of January 2021 to December 2023.

[11] Root mean square revision divided by average level of asset item, multiplied by 100.

banks by an average of 1.1 percent at an annual rate. The maximum revision was 1.8 times greater than that amount.

Table 2.b
Recent Benchmark Revisions to Estimates for Foreign-Related Institutions[12]
($ millions, n.s.a.[13])

Item	Root Mean Square Revision[14]	Maximum Absolute Revision	Average Level of Asset Item ($ billions)[15]	Root Mean Square Percentage Revision[16]
Bank Credit	5,402	9,177	1,164	0.46
U.S. Treasury and Agency Securities, MBS	393	866	38	1.04
U.S. Treasury and Agency Securities, non-MBS	517	855	107	0.49
Other Securities, MBS	13	30	2	0.69
Other Securities, non-MBS	574	1,484	91	0.63
CLD Loans	734	1,416	12	6.11
Farm Loans	3	6	0	2.13
Multifamily (Over 5) Loans	246	679	16	1.56
Nonfarm Nonresidential Loans	998	2,348	66	1.51
Closed-end 1-4 Family loans	69	199	1	8.88
Commercial and Industrial Loans	3,316	6,516	452	0.73
Loans to Nondepository Fin. Inst.	954	1,814	165	0.58
All Other Loans	754	1,876	212	0.36
Cash	15,394	32,079	1,224	1.26
Total Assets	**12,772**	**22,496**	**3,118**	**0.41**
Other Deposits	3,686	8,492	493	0.75
Large Time Deposits	6,285	17,739	782	0.80
Total Borrowings	6,298	12,243	967	0.65
Total Liabilities	**11,737**	**19,876**	**3,115**	**0.38**

As shown in the last column of Table 2.b, the percentage root mean square revisions over the past 12 benchmarks for foreign-related institutions greatly exceed those for the small banks shown in Table 2.a. The root mean square revision of $5.4 billion, or 0.46 percent of the average level of bank credit, implies an average 1.8 percent benchmark revision at an annual rate. Some components of bank credit and total assets are significantly worse in accuracy; components of commercial real estate loans, for example, have average benchmark revisions ranging from over 6 percent to over 24 percent at an annual rate and cash has an average benchmark revision of

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[12] Summary statistics are calculated for 12 quarterly benchmarks from March 2021 to December 2023.

[13] n.s.a. = not seasonally adjusted.

[14] The root mean square revision is the square root of the averaged sum of squared revisions. This term may also be referred to as the standard deviation of the revisions around zero.

[15] Average levels are averages of weekly data over the period of January 2021 to December 2023.

[16] Root mean square revision divided by average level of asset item, multiplied by 100.

over 5 percent.

Procedures for Collecting Information

The FR 2644 currently collects 29 balance-sheet items as of each Wednesday from an authorized maximum stratified sample of 850 domestically chartered commercial banks and U.S. branches and agencies of foreign banks.

The FR 2644 report would continue to be submitted weekly, as of the close of business each Wednesday, for banks with $5 billion or more in total assets. The Board proposes that the smallest banks (below $5 billion in total assets as of the prior June 30 Call Report), which have much smaller intramonthly movements than the large banks, be given the option to file data for the first Wednesday of every month only, which will be utilized to derive weekly interpolated data. Weekly data are needed for accurate and timely construction of universe estimates used in the analysis of current banking developments. The balance sheet series are calculated and published weekly. The various data series are routinely monitored by staff and regularly included in materials prepared for the Board of Governors, the Federal Open Market Committee, and in public reports (including, for example, the semiannual Monetary Policy Report to Congress). Monitoring of these weekly data has also proven important during periods of rapid change in banking conditions or of volatility in financial markets. If these data were available on a less timely basis, staff's ability to monitor banking conditions, particularly during periods of rapid change or volatility, would be hindered. Currently, respondents file the FR 2644 weekly, within a week of the as of Wednesday report date. The data are transmitted to the Reserve Banks via Reporting Central.

Methods to Maximize Response

The process to recruit respondents for the FR 2644 panel uses an automated program, Centralized Panel Maintenance System (CPMS), which, after verifying that there is still room on the panel based on outstanding panel requests, selects one replacement bank randomly each day based on panel needs. The largest banks are asked first; however, a bank cannot be asked to join the panel more than once every two years. When the program exhausts the largest banks, recruitment moves to strata needs. The estimation process for the H.8 release works most efficiently with at least the minimum number of banks in each stratum. In addition, banks can be asked to join the panel to satisfy needs for the estimation of particular items; for instance, smaller banks with large amounts of commercial real estate loans are targeted. Responses to the panel requests may take several months, including preparation time.

Testing of Procedures

There is no testing of procedures.