

**Supporting Statement for the
Government-Administered, General-Use Prepaid Card Survey
(FR 3063; OMB No. 7100-0343)**

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 Government-Administered, General-Use Prepaid Card Survey: Issuer Survey (FR 3063; OMB No. 7100-0343). The FR 3063¹ survey collects data from issuers of government-administered, general-use prepaid cards, including information on the prepaid card program, the number of cards outstanding, card funding, purchase transactions, interchange fees, and cardholder fees. The FR 3063 survey is mandatory. The Board uses data from the FR 3063 survey to support an annual report to Congress on the prevalence of use of general-use prepaid cards in federal, state, and local government-administered payment programs and on the interchange and cardholder fees charged with respect to such use of such cards.

The estimated total annual burden for the FR 3063 is 220 hours. The form and instructions are available for survey participants on the Board's public website at <https://www.federalreserve.gov/debitcardsurveys>.²

Background and Justification

Section 1075(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) added section 920(a)(7) to the Electronic Fund Transfer Act (EFTA) to require that the Board provide annually a report to Congress regarding the prevalence of the use of general-use prepaid cards in federal, state, and local government-administered payment programs, and the interchange and cardholder fees charged with respect to the use of such prepaid cards.³ Section 1075(a) of the Dodd-Frank Act also added section 920(a)(3) to the EFTA to provide the Board with authority to require card issuers to respond to information requests as may be necessary to carry out the provisions of the section. Pursuant to this authority, the Board adopted regulations setting debit card interchange fee standards and reporting requirements in Regulation II, Debit Card Interchange Fees and Routing (12 CFR Part 235). The FR 3063 survey is used to collect information from card issuers on the usage of general-use prepaid cards in federal, state, or local government-administered payment programs, and the interchange fees and cardholder fees charged with respect to the use of such general-use prepaid cards. The information collected on the FR 3063 survey is not available from other sources. The Board annually evaluates the data collected in an effort to further improve efficiency and reduce respondent burden.

¹ The Board is changing the internal Agency Tracking Number for the Government-Administered, General-Use Prepaid Card Survey from the "FR 3063a" to "FR 3063."

² The Board makes the annual collection form publicly available when it publishes the report. The most recent public version of the form is available at https://www.federalreserve.gov/paymentsystems/files/FR3063a_government_issuer_survey_2021.pdf.

³ 15 U.S.C. § 1693o-2(a)(7)(D).

Historically, the Board administered two surveys as part of the FR 3063: (1) the Issuer Survey, previously known as the FR 3063a and the current FR 3063, which is mandatory and collects information from issuers for government-administered general-use prepaid card programs about the program they administer; and (2) the Government Survey, the now-discontinued FR 3063b, which was a voluntary survey that collected information from governments about their government-administered general-use prepaid card programs. In 2021, the Board revised and streamlined the Issuer Survey (prior FR 3063a/current FR 3063) and discontinued the Government Survey (FR 3063b). The FR 3063b was discontinued because the information provided by card issuers in responding to the Issuer Survey provides sufficient data on state programs.

Description of Information Collection

Issuer Survey (FR 3063)

Regulation II requires each issuer, as defined under the regulation and subject to certain exceptions,⁴ to submit information about debit card (including general-use prepaid card) transactions in a form prescribed by the Board.⁵ The FR 3063 survey requests information on general-use prepaid cards (associated with accounts domiciled in the United States, the District of Columbia, and U.S. territories) issued under programs administered by a federal, state, or local government agency, except for the Supplemental Nutrition Assistance Program (SNAP). The FR 3063 survey is mandatory for issuers that authorize general-use prepaid cards for federal, state, or local government-administered payment programs.

The survey collects information on government-administered payment programs for which the depository institution is the issuer of general-use prepaid cards. The cards issued pursuant to government-administered payment programs may be either reloadable or non-reloadable.

The FR 3063 survey comprises five sections:

I. Program Information: Respondents report the number and name of government-administered, general-use prepaid card programs they administer.

II. Card Funding: Respondents report information on the number of cards outstanding and the value of funds loaded into prepaid card accounts.

III. Purchase Transactions: Respondents report information on the volume and value of settled purchase transactions by the prepaid card accounts.

⁴ See 12 CFR 235.8(a); 12 CFR 235.5(a). Issuers include any person that authorizes the use of a debit card to perform an electronic debit transaction. 12 CFR 235.2(k). “Persons” are defined to encompass both natural persons and organizations (including a corporation, government agency, estate, trust, partnership, proprietorship, cooperative or association) 12 CFR 235.2(n).

⁵ 12 CFR 235.8(b).

IV. Issuer Revenue: Interchange Fees: Respondents report information on interchange fee revenue received on settled purchase transactions by the prepaid card accounts.

V. Issuer Revenue: Cardholder Fees: Respondents report information on fees assessed to cardholders.

The respondents complete and submit the FR 3063 survey electronically through the Debit Card Survey System, a dedicated online portal developed and supported by the Board. The Board issues unique access credentials to respondents through email. This enables the Board and respondents to provide the required data on a timely basis and makes the data accessible by Board stakeholders for reporting purposes. The Board understands that respondents use information technology to comply with these provisions, including the use of electronic submission through email.

Respondent Panel

The FR 3063 survey panel comprises issuers of government-administered, general-use prepaid cards.

Frequency and Time Schedule

The FR 3063 survey is submitted annually. The Board is required to provide an annual report to the Congress on government-administered, general-use prepaid cards. The Board sends out the FR 3063 survey to issuers by mid-February of each year, and requests that the surveys be submitted to the Board within 60 calendar days.

Public Availability of Data

The Board includes aggregate FR 3063 survey data in an annual Report to the Congress on Government-Administered, General-Use Prepaid Cards, which is also posted on the Board's public website, <https://www.federalreserve.gov/publications/government-prepaid-executive.htm>.

Legal Status

The issuer survey is authorized by section 920(a)(7) of the EFTA,⁶ which was added by section 1075(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This subsection requires the Board to submit an annual report to Congress on the prevalence of the use of general-use prepaid cards in federal, state, or local government-administered payment programs and the interchange transaction fees and cardholder fees charged with respect to the use of such general-use prepaid cards.⁷ Subsection 920(a)(3) of the EFTA provides the Board

⁶ 15 U.S.C. § 1693o-2(a)(7).

⁷ 15 U.S.C. § 1693o-2(a)(7)(D).

with authority to require issuers to provide information to enable the Board to carry out the provisions of the section.⁸

The obligation of issuers to respond to the survey is mandatory.

The Board generally regards the information collected from each individual issuer on the FR 3063a survey as confidential commercial and financial information, which is protected by exemption 4 of the Freedom of Information Act.⁹ The Board, however, may publicly release aggregate or summary information in a way that does not reveal the individual issuer.

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

Public Comments

On November 14, 2023, the Board published an initial notice in the *Federal Register* (88 FR 78023) requesting public comment for 60 days on the extension, without revision, of the FR 3063. The comment period for this notice expires on January 16, 2024.

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 3063 is 220 hours. The Board estimates that approximately 22 depository institutions would take, on average, 10 hours each to complete the FR 3063 survey. The number of respondents typically range from 15 to 22 based on the average number of FR 3063 survey filings received since 2018. The number of respondents can increase or decrease depending on factors such as changes in government funding or programs, business consolidations, or exiting the business in general. Estimated average hour per response can vary, as respondents may have immediate access to the requested data or be required to request data from third party services. These reporting requirements represent less than 1 percent of the Board's total paperwork burden.

FR 3063	<i>Estimated</i>	<i>Estimated</i>	<i>Estimated</i>	<i>Estimated</i>
----------------	------------------	------------------	------------------	------------------

⁸ 15 U.S.C. § 1693o-2(a)(3)(B). Section 235.8(a) and (b) of the Board's Regulation II, 12 CFR 235.8(a) and (b), implements this reporting requirement and requires the submission of information about debit card transactions (including general-use prepaid card transactions) by issuers in a form prescribed by the Board. This reporting requirement has been carried out in the form of three surveys collected by the Board. In addition to the FR 3063 survey, the FR 3064a and FR 3064b surveys (OMB No. 7100-0344) collect information on the volume and value of debit card transactions (including general-use prepaid card transactions), associated interchange fees, payments, and incentives paid by networks to issuers from: (1) issuers of debit cards (including issuers of general-use prepaid cards) that, together with affiliates, have assets of \$10 billion or more (the FR 3064a survey); and (2) payment card networks (the FR 3064b survey). However, the FR 3064a and FR 3064b surveys are separately reviewed and accounted for under the Paperwork Reduction Act.

⁹ 5 U.S.C. § 552(b)(4).

	<i>number of respondents</i> 10	<i>annual frequency</i>	<i>average hours per response</i>	<i>annual burden hours</i>
FR 3063	22	1	10	220

The estimated total annual cost to the public for this collection of information is \$14,575.¹¹

Sensitive Questions

These collections of information contain 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 information collection is \$125,345.

¹⁰ Of these respondents to this information collection, 5 respondents are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$850 million in total assets) <https://www.sba.gov/document/support--table-size-standards>.

¹¹ 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 \$22, 45% Financial Managers at \$80, 15% Lawyers at \$79, and 10% Chief Executives at \$118). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), Occupational Employment and Wages, May 2022, published April 25, 2023 <https://www.bls.gov/news.release/ocwage.t01.htm#>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.