

**Supporting Statement for the  
Federal Reserve Payments Study  
(FR 3066; OMB No. 7100-0351)**

**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 Federal Reserve Payments Study (FR 3066; OMB No. 7100-0351).<sup>1</sup> The Federal Reserve Payments Study (FRPS) is supported by the following surveys:

- Depository and Financial Institutions Payments Survey (FR 3066a), and
- Networks, Processors, and Issuers Payments Surveys (FR 3066b).

The FRPS collects information from organizations with a significant role in processing payments, including depository and financial institutions, general-purpose payment networks, third-party payment processors, issuers of private-label payment instruments, and providers of various alternative payment methods and systems, and helps to support the Federal Reserve System's (Federal Reserve's) role in the payments system. The FR 3066a and FR 3066b consist of a full set of surveys every three years and smaller versions of the surveys (fewer surveys, questions, or respondents) in each year between. The FRPS publishes aggregate estimates of noncash payment volumes, cash deposits and withdrawals, and related information derived from the surveys.

The estimated total annual burden for the FR 3066 is 12,646 hours.

**Background and Justification**

The FR 3066a and FR 3066b are part of the latest iteration of the FRPS, which has been a collaborative effort of the Federal Reserve Bank of Atlanta (FRB Atlanta) and the Board since 2000. The FRPS originated from a Federal Reserve System-wide effort to improve the measurement and public availability of information on volumes and trends in checks and other noncash payments. The FRPS filled a significant gap in quantitative information on U.S. noncash payments by providing a reliable and transparent non-mandatory approach to surveying payment institutions, constructing U.S. domestic total estimates of U.S. noncash payments from the survey data, and publishing them. The focus of the surveys has adapted to the substantial evolution and growth of emerging and innovative payment types over time.

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<sup>1</sup> Certain criteria apply to information collections conducted via the Board's ad hoc clearance process. Such information collections 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 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 a current Privacy Act notice). In addition, for each information collection instrument, respondent burden will be tracked and submitted to OMB.

The Payments Forum Center at FRB Atlanta and the Payment System Studies section at the Board jointly conduct the study. Beginning with the supplemental surveys administered in 2023, the study has been and will be conducted by Federal Reserve staff without the assistance of consultants.

Surveys in previous years received robust industry support and participation. The aggregate estimates produced from the survey data are widely cited in academic working papers, journal articles, and industry publications; reported in the media; and used by the public, industry, and policy makers as a quantitative aggregate benchmark of noncash payments and cash withdrawal and deposit activity in the United States. As the noncash payments system grows larger and more complex, the Federal Reserve expects the data collected under the FRPS to play a crucial role in objectively maintaining and updating quantitative information on the U.S. noncash payments system. The information collected through the FRPS is not available from other sources.

### **Description of Information Collection**

The FRPS gathers information that is used by Federal Reserve staff to estimate the aggregate number and value of all noncash payments, as well as cash withdrawals and deposits and cash payments made by U.S. consumers and businesses, including for-profit and not-for-profit enterprises, and federal, state, and local government agencies.

**FR 3066a.** The FR 3066a is a survey that collects the number and value of noncash payments, cash withdrawals and deposits, third-party payments fraud, and related information from a nationally representative sample of commercial banks, savings institutions, and credit unions. It is a single survey that follows a three-year cycle and is divided into sections corresponding to payment types.<sup>2</sup> In the first of three years, the Federal Reserve requests survey participation from a nationally representative stratified random sample of depository institutions. The full survey is administered to large institutions, while shorter versions are administered to smaller institutions. In the second and third years, a shorter version of the survey is administered to large depository institutions.

**FR 3066b.** The FR 3066b is a set of surveys that collect the number and value of electronic payments, payments fraud, and related information from major card networks, payment processors, and card issuers.<sup>3</sup> The surveys' content varies for the different types of payment processors that are respondents for the FR 3066b. In the first of three years, surveys are administered for all payment types and processors covered by the FR 3066b. In the second and third years, surveys are administered only for some payment types, depending on information needs.

Surveys will continue to be conducted through the use of files formatted as Excel workbooks. Blank survey forms are distributed to participants for their internal use. Participants

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<sup>2</sup> Examples of survey forms from previous years are available at [https://www.federalreserve.gov/paymentsystems/frps\\_survey.htm](https://www.federalreserve.gov/paymentsystems/frps_survey.htm).

<sup>3</sup> See "Respondent Panel," *infra*, for a full list of the different types of payment processors. Examples of survey forms from previous years are available at: [https://www.federalreserve.gov/paymentsystems/frps\\_survey.htm](https://www.federalreserve.gov/paymentsystems/frps_survey.htm).

will be provided at least one secure method for submitting their survey forms to the Federal Reserve.

The FRPS is structured as a partially ad hoc collection to improve its ability to collect relevant information in response to changing conditions in payments markets. The FRPS generally contains the same core substantive questions from year to year; however, questions may be added, modified, or removed from year to year based on the Federal Reserve's information needs.

### **Respondent Panel**

The FR 3066a panel comprises depository and financial institutions operating in the United States and its territories that offer transaction deposit accounts, prepaid card program accounts, and credit card accounts to consumer, business, and government customers, including financial institutions that issue general-purpose credit cards but do not accept consumer deposits.

The FR 3066b panel comprises significant types of payment issuers and processors operating in the United States and its territories. Past surveys have included general-purpose credit card networks; private-label credit card merchant issuers; private-label credit card processors; general-purpose debit card networks; general-purpose prepaid card networks; automated teller machine card networks; general-purpose prepaid card processors; electronic benefits transfer card processors; private-label prepaid card issuers and processors; P2P and money transfer processors; online bill payment processors; walk-in bill payment processors; private-label ACH debit card processors; toll collection processors; online payment authentication methods processors; mobile wallet processors; and transit system operators. Titles, definitions, and scope of surveys may need to be adjusted from time to time to adapt to developments in the marketplace.

### **Frequency and Time Schedule**

The FR 3066a and FR 3066b are distributed around the end of the first quarter of each year and are due by the end of the second quarter. Follow-up for nonresponse, missing items, and validation is completed by the end of the third quarter.

### **Public Availability of Data**

The initial data brief is normally released to the public in the fourth quarter of the year in which responses are requested and a detailed data supplement is normally released in the second quarter of the following year. Individual responses are kept confidential, but aggregate estimates are provided to the public in data releases and reports posted on the [federalreserve.gov](https://www.federalreserve.gov) website, as well as cited in industry conference presentations, staff studies or working papers, professional journals, the Federal Reserve Bulletin, testimony and reports to the Congress, or other vehicles.

### **Legal Status**

The Board uses the information obtained through the FR 3066a and FR 3066b to discharge its statutory responsibilities, including those under the following statutes:

- Section 609 of the Expedited Funds Availability Act;<sup>4</sup>
- Sections 904 and 920 of the Electronic Fund Transfers Act;<sup>5</sup>
- Section 15 of the Check Clearing for the 21st Century Act;<sup>6</sup> and
- Sections 2A, 11, 11A, 13, and 16 of the Federal Reserve Act.<sup>7</sup>

The information contained in responses to the core questions of the FR 3066a and FR 3066b is nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent. The Board therefore keeps such information confidential pursuant to exemption 4 of the Freedom of Information Act (“FOIA”).<sup>8</sup> Supplemental questions asked on each survey may vary, and the Board’s ability to keep confidential responses to such questions must therefore be determined on a case-by-case basis. Responses to supplemental questions may contain nonpublic commercial information that would be kept confidential by the Board pursuant to exemption 4 of the FOIA. Some such responses may also contain information contained in or related to an examination of a financial institution, which would be kept confidential under exemption 8 of the FOIA.<sup>9</sup>

### **Consultation Outside of the Agency**

As part of the routine execution of the surveys, Federal Reserve staff that recruit responses and collect survey data engage with potential participants to review, explain, and obtain feedback about the surveys. These conversations help to develop or revise proposed questions to make them as relevant to and substantively consistent with industry practices as possible.

### **Public Comments**

On July 30, 2024, the Board published an initial notice in the *Federal Register* (89 FR 61116) requesting public comment for 60 days on the extension, without revision, of the FR 3066. The comment period for this notice expires on September 30, 2024.

### **Estimate of Respondent Burden**

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<sup>4</sup> 12 U.S.C. § 4008(c) (authorizing the Board to prescribe such regulations as it may determine appropriate to carry out its responsibility to regulate the payment system).

<sup>5</sup> 15 U.S.C. §§ 1693b, 1693o-2 (authorizing the Board to prescribe regulations relating to interchange fees for electronic debit transactions and require any debit card issuer or payment card network to provide the Board with such information as may be necessary to carry out its responsibility to regulate interchange fees for electronic debit transactions).

<sup>6</sup> 12 U.S.C. § 5014 (authorizing the Board to prescribe such regulations as it determines necessary to implement, prevent circumvention or evasion of, or facilitate compliance with the Expedited Funds Availability Act).

<sup>7</sup> 12 U.S.C. §§ 225a, 248, 248a, 342, 360, and 248-1 (*inter alia*, requiring the Board to 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).

<sup>8</sup> 5 U.S.C. § 552(b)(4).

<sup>9</sup> 5 U.S.C. § 552(b)(8).

As shown in the table below, the estimated total annual burden for the FR 3066 is 12,646 hours. For the FR 3066a, the Federal Reserve estimates 1,400 respondents for the first year of the three-year cycle in which a representative sample survey is administered, and 70 respondents for each of the annual supplement years in which the largest depository and financial institutions are surveyed. This yields an average of 513 respondents per year for the FR 3066a. For the FR 3066b, the Federal Reserve estimates 390 respondents for the first year survey and 60 respondents for the smaller supplements in the second and third years. This yields an average of 170 respondents per year for the FR 3066b. The Federal Reserve estimates that the average hours per response are the same across all years for both the FR 3066a and FR 3066b. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

<b>FR 3066</b>	<i>Estimated number of respondents<sup>10</sup></i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FR 3066a	513	1	22	11,286
FR 3066b	170	1	8	<u>1,360</u>
<i>Total</i>				12,646

The estimated total annual cost to the public for the FR 3066 is \$883,323.<sup>11</sup>

### **Sensitive Questions**

These collections of information contain no questions of a sensitive nature, as defined by OMB guidelines.

### **Estimated Cost to the Federal Reserve System**

The costs to the Federal Reserve System will be included when available.

<sup>10</sup> Of the respondents, 234 for the FR 3066a and 30 for the FR 3066b 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>.

<sup>11</sup> 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 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/>.