FEDERAL DEPOSIT INSURANCE CORPORATION

Agency Information Collection Activities: Submission for OMB Review; Comment Request

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice of information collection to be submitted to OMB for review and approval under the Paperwork Reduction Act of 1995.

SUMMARY: In accordance with requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the FDIC hereby gives notice that it is submitting to the Office of Management and Budget (OMB) a request for OMB review and approval of revisions to the survey collection instrument for its second National Survey of Unbanked and Underbanked Households (“Household Survey”), currently approved under OMB Control No. 3064–0167, scheduled to be conducted in partnership with the U.S. Census Bureau as a supplement to its June 2011 Current Population Survey (“CPS”). The collection is a key component of the FDIC’s efforts to comply with a Congressional mandate contained in section 7 of the Federal Deposit Insurance Reform Conforming Amendments Act of 2005 (“Reform Act”) (Pub. L. 109–173), which calls for the FDIC to conduct ongoing surveys “on efforts by insured depository institutions to bring those individuals and families who have rarely, if ever, held a checking account, a savings account or other type of transaction or check cashing account at an insured depository institution (hereafter in this section referred to as the ‘unbanked’) into the conventional finance system.” Section 7 further instructs the FDIC to consider several factors in its conduct of the surveys, including: (1) “What cultural, language and identification issues as well as transaction costs appear to most prevent ‘unbanked’ individuals from establishing conventional accounts”; and (2) “what is a fair estimate of the size and worth of the ‘unbanked’ market in the United States.” The household survey is designed to address these factors and provide a factual basis on the proportions of unbanked households. Such a factual basis is necessary to adequately assess banks’ efforts to serve these households as required by the statutory mandate.

To satisfy the Congressional mandate, the FDIC designed two complementary surveys: A survey of FDIC-insured depository institutions and a survey of households. The first survey of FDIC-insured depository institutions, aimed at collecting data on their efforts to serve underbanked, as well as unbanked, populations (underbanked populations include individuals who have an account with an insured depository but also rely on non-bank alternative financial service providers for transaction services or high cost credit products), was conducted in mid-2007, with the results released in February 2008. The first survey of unbanked and underbanked households was conducted in January 2009 as a CPS supplement and the results were referred to the public in December 2009. The household survey sought to estimate the proportions of unbanked and underbanked households in the U.S. and to identify the factors that inhibit the participation of these households in the mainstream banking system. The results of these ongoing surveys will help policymakers and bankers understand the issues and challenges underserved households perceive when deciding how and where to conduct financial transactions.

DATES: Comments must be submitted on or before December 23, 2010.

ADDRESSES: Interested parties are invited to submit written comments on the collection of information entitled: National Unbanked and Underbanked Household Survey. Comments should refer to the name of the collection and may be submitted by any of the following methods:

- E-mail: comments@fdic.gov. Include the name and number of the collection in the subject line of the message.
- Hand Delivery: Comments may be hand-delivered to the guard station at the rear of the 550 17th Street Building (located on F Street), on business days between 7 a.m. and 5 p.m.

A copy of the comments should also be submitted to the OMB Desk Officer for the FDIC, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: Interested members of the public may obtain a copy of the revised survey instrument and related instructions by clicking on the link for the National Unbanked and Underbanked Household Survey

Request for Comment

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the FDIC’s functions, including whether the information has practical utility; (b) the accuracy of the estimates of the burden of the information collection, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology. All comments will become a matter of public record.

Dated at Washington, DC, this 17th day of November 2010.

Federal Deposit Insurance Corporation.

Robert E. Feldman,
Executive Secretary.

[FR Doc. 2010–29400 Filed 11–22–10; 8:45 am]
BILLING CODE 6741–01–P
Survey on the following Web page: http://www.fdic.gov/regulations/laws/federal/index.html. Interested members of the public may also obtain additional information about the collection, including a paper copy of the proposed collection and related instructions, without charge, by contacting Leneta Gregorie at the address identified above, or by calling (202) 898–3719.

**SUPPLEMENTAL INFORMATION:** Proposal to seek OMB approval for the following new collection of information:

- **Title:** National Unbanked and Underbanked Household Survey.
- **OMB Number:** New collection.
- **Frequency of Response:** Once.
- **Affected Public:** U.S. Households.
- **Estimated Number of Respondents:** 46,500.
- **Average time per response:** 10 minutes (0.167 hours) per respondent.
- **Estimated Total Annual Burden:** 0.167 hours x 46,500 respondents = 7,766 hours.

**General Description of Collection**

A mandate in section 7 of the Reform Act requires the FDIC to conduct ongoing surveys on efforts by banks to bring unbanked and underbanked individuals and families into the conventional finance system. Section 7 further instructs the FDIC to consider several factors in its conduct of the surveys, including the size of the unbanked market in the United States and the cultural, language and identification issues as well as transaction costs that appear to most prevent unbanked individuals from establishing conventional accounts. To obtain this information, the FDIC partnered with the U.S. Census Bureau, which administered the Household Survey supplement (“FDIC Supplement”) to about 86 percent of the households that participated in the January 2009 CPS. The FDIC supplement has yielded significant data on the extent and demographic characteristics of the population that is unbanked or underbanked, the use by this population of alternative financial services (“AFS”), and the reasons why some households do not make greater use of traditional banking services. The Household Survey was the first survey of its kind to be conducted at the national level. An executive summary of the results of the Household Survey, the full report, and the survey instrument can be accessed through the following link: http://www.economicinclusion.gov/about_survey.html.

Consistent with the statutory mandate to conduct the surveys on an ongoing basis, the FDIC already has in place arrangements for conduct of its second Household Survey as a supplement to the June 2011 CPS. However, prior to finalizing the survey instrument, the FDIC sought public comment on whether changes to the existing instrument were desirable and, if so, to what extent.

**Comment Discussion**

On April 19, 2010 (75 FR 20357), the FDIC issued a request for comment on possible revisions to the proposed National Survey of Unbanked and Underbanked Households. One comment was received from a nonprofit organization. The commenter offered a number of suggestions based on its own study of banked and unbanked groups in eight low-income neighborhoods in the City of Los Angeles. The suggestions fell into one of two categories: Suggestions on ways to enhance the quality, utility, and clarity of the information to be collected and suggestions on ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

Included among ways to enhance the quality, utility, and clarity of the information were suggestions that the FDIC estimate the number of wage earners in a given household by asking how many householders earn income and how many of those earners have either a checking or savings account. The FDIC agrees that the survey would yield more useful data by inclusion of a question designed to obtain information on the banking status of each member of the household. Therefore, the revised FDIC supplement will gather information from all members of the household (16 years of age or older) about whether they have a checking or savings account, which will provide a basis for estimating the number of unbanked individuals. In addition, the CPS contains a vast amount of information for individual household members, including information about their employment status, number of jobs held, hours worked, and industry/occupation, which can be cross-referenced with the individual’s banking status. The commenter also suggested that the FDIC document the transaction medium by which household income is received (e.g., cash, check, ACH, direct deposit, stored value card, etc.), savings behavior, and usage of AFS, with specific questions offered for gathering information on each topic. With regard to document the transaction medium, the FDIC understands that there may be a high correlation between banking status and the form in which income is received and agrees that it would be useful to document the correlation at a national level. The FDIC further understands that there may be a correlation between banking status and savings behavior and agrees that it would be useful to document any such correlation at a national level. However, given constraints on the length of the FDIC supplement, the FDIC’s primary focus is on gathering information about banking status and use of AFS products, consistent with its statutory mandate. Therefore, the FDIC is unable at this time to include general questions about the form in which income is received, use of direct deposit, and household financial behavior. However, the CPS does provide detailed information about labor force participation, including wage and salary income that could be combined with the FDIC supplement results to provide some of the recommended information. With respect to the commenter’s suggestion that the FDIC modify AFS usage questions, the revised survey does include questions designed to gather information about the use of specific AFS products, both within the previous 12 months and the previous 30 days. In addition, respondents will be asked if they have every used certain AFS credit products, i.e., payday loans, pawn shop loans, refund anticipation loans, and rent-to-own agreements, and, if yes, whether they have used it during the previous 12 months.

Another suggestion to enhance the quality, utility, and clarity of the information to be collected was for the FDIC to document the lost opportunity of the unbanked by asking about the frequency and size of remittance transfers and whether respondents have recently filed income taxes, or requested the earned income tax credit. The revised survey instrument does include questions about household use of remittances, including the frequency with which nonbank remittance services are used and why. This information along with data on household use of other specific AFS products will measure services obtained from nonbank financial services providers. However, due to time and size constraints on the survey, the survey will not include questions on the size of remittance transfers, income tax filings, or requests for the earned income tax credit.

The commenter also suggested that the FDIC measure the subsets of the unbanked by asking questions designed to determine whether they were never banked, abandoned banking, or were expelled from banking. The FDIC
The document discusses the FDIC's oversight of banking and financial practices, specifically addressing the FDIC's agree opinion on certain suggestions made by a commenter. The commenter's suggestion revolves around documenting technology and language barriers, which are significant for ensuring accessibility and comprehension of financial information for underbanked households.

The FDIC acknowledges the commenter's recommendation for enhancing the quality, utility, and clarity of the information collection. They mention that the FDIC supplement includes questions about banking relationships, closed bank accounts, and whether respondents would like to be warned of potential overdrafts. The FDIC also addresses the possibility of adjusting methodology to better capture information on the unbanked and underbanked.

The document highlights the importance of understanding the primary language spoken at home, whether English or not, to ensure comprehensive coverage. The Federal Reserve Act (12 U.S.C. 225(a)) requires that information collections by the Board of Governors of the Federal Reserve System (Board) under OMB delegated authority, as per 5 CFR 1320.16 (OMB Regulations on Controlling Paperwork Burdens on the Public), are incorporated into the official OMB inventory of currently approved collections of information. This includes electronic, automated, or other information collection techniques or forms of collections of information.

The Federal Reserve Board of Governors is responsible for ensuring that the information collections are necessary for the proper performance of the Board's functions, including whether the information has practical utility, accuracy of the estimate of the burden of the information collections, and the validity of the methodology and assumptions used. The Federal Reserve Act (12 U.S.C. 225(a)) also requires that the burden of the information collections is not required to be adjusted, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

Additionally, the FDIC addresses the commenter's concern regarding the potential overdrafts. The FDIC understands that overdraft fees may be viewed as a barrier to stable banking relationships. The commenter suggests documenting technology and language divides, which could help in understanding the difficulty of access to computers, cell phones, or the Internet. The FDIC agrees that it is important to be mindful of any language divides, the FDIC agrees that it is important to be mindful of any language divides, the FDIC agrees that it is important to be mindful of any language divides, the FDIC agrees that it is important to be mindful of any language divides, the FDIC agrees that it is important to be mindful of any language divides, the FDIC agrees that it is important to be mindful of any language divides.