BUREAU OF CONSUMER FINANCIAL PROTECTION

PAPERWORK REDUCTION ACT SUBMISSION

INFORMATION COLLECTION REQUEST

SUPPORTING STATEMENT PART B

DEBT COLLECTION QUANTITATIVE DISCLOSURE TESTING

(OMB CONTROL NUMBER: 3170-XXXX)

1. Respondent Universe and Selection Methods

Population and Sampling Frame

This research study is not intended to be representative of the U.S. population, but rather be an experimental design that tests differences in form comprehension between groups. The study sample will be chosen by selecting a sample from GfK's KnowledgePanel®, an online panel whose participants were recruited through probability sampling. KnowledgePanel currently includes about 55,000 adult members.

Since its inception in 1999, KnowledgePanel participants have been recruited based on industry standards for selecting general population surveys, first by random-digit dialing and currently by address-based sampling (ABS). The ABS methodology is a random sample of addresses from the U.S. Postal Service's Delivery Sequence File. Individuals residing at randomly sampled addresses are invited to join KnowledgePanel through a series of mailings (in English and Spanish); non-responders are phoned when a telephone number can be matched to the sampled address. Household members who were randomly selected can indicate their willingness to join the panel by returning a completed acceptance form in a postage-paid envelope, calling a toll-free hotline and speaking to a bilingual recruitment agent, or accessing a dedicated recruitment website. Non-internet households are provided a web-enabled computer and free internet access. Historical recruitment rates for participation in the panel are approximately 15-20%.

The expected survey completion rate for those selected within the panel is 60–70%, based on historical completion rates for KnowledgePanel participants. The survey will be conducted in English.

Sample Size

The target sample size is 8,000 completed surveys, approximately 5,330 (2/3) of which will be completed by panelists who have "experienced" debt collection in the past 24 months. We will

select the sample in two phases. First, we will select a random sample of adults and screen the panelists to determine whether they have experienced debt collections in the past 24 months— estimated to be 30–35% of adults with a credit file based on research by the Urban Institute[1] and the BCFP[2]. In the second phase, we will select a sample of panelists for the full survey. All of those who have experienced debt collection in the past 24 months will be invited to participate, along with a random subsample of those who indicate they have not experienced debt collection in the previous 24 months. The total sample distribution is expected to be 2/3 "experienced" and 1/3 without debt collection experience in the past 24 months. We designed the sample in this way because we found during qualitative testing that people with experience and without experience with debt collection responded to the form different. In this study, we wanted to ensure that the form works for both groups (because both groups could have a debt collection experience in the future). The study over-represents people who had experience with debt collection, to make sure that the form worked well for this population of consumers.

2. Describe the procedures for the collection of information.

KnowledgePanel participants will be recruited by email to take the survey. The email invitation will describe the purpose and importance of the research, identify BCFP as the sponsor, and include an email address and toll-free telephone number for helpdesk support. The recruitment email will include a personalized URL (e.g., www.researchsurvey/123456) for the web survey that features a unique, non-sequential identifier for secure login. When panelists click on the URL, they will be directed to the screening survey hosted by our contractor. The screening survey will determine whether the respondent has experienced debt collection in the previous 24 months. If selected to continue by an automated program to ensure balanced demographic characteristics and debt collection experience, the respondent will be directed to the full survey.

Panelists who do not respond to the email invitation will receive e-mail reminders starting on Day 3 and will continue to receive follow-up correspondence once per week, thereafter.

The fielding of the survey will begin with a small pilot test of up to 200 completed surveys to determine whether recently added questions are effective, followed by soft launch, targeting up to 1,000 completed surveys to ensure that the instrument is functioning as intended. Upon completing the pilot, we will pause collection, review the data, and refine or drop ineffective new questions. Following the soft launch, we will pause the survey as well, review results, and identify any technical changes that need to be made before fully launching the survey. After incorporating any technical changes, we will then re-open the survey and invite the full set of participants (additional 7,000). We expect the full survey will be in the field for three weeks.

Regarding the pilot test described above, this is to account for the fact that some aspects of the rule changed in the past year. To obtain evidence of sufficient quality to support the rulemaking, the testing must include new questions that were not included in past qualitative testing. It is not

consistent with research best practice to include new items in a large survey without first evaluating them either some kind of pilot testing. Given this, in addition to and preceding the "soft launch" the Bureau intends to pilot new questions on a small group of 200 respondents from the GfK panel, evaluate these questions for effectiveness, and decide whether to include them in the final survey instrument. This is consistent with the spirit of PRA in that ineffective questions can be removed or refined in order to decrease the burden to the remaining respondents. The Bureau does not anticipate any changes made during the pilot will have PRA implications, as changes will consist of refining wording or excluding ineffective items, and not any substantive changes.

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[1] Ratcliffe, C., et al. (2014) Delinquent Debt in America. Urban Institute Report, July 30, 2014. Available at: http://www.urban.org/research/publication/delinquent-debt-america.

[2] CFPB (2014) Consumer credit reports: A study of medical and non-medical collections. Consumer Financial Protection Report, December 2014. Available at: http://files.consumerfinance.gov/f/201412_cfpb_reports_consumer-credit-medical-and-non-medical-collections.pdf

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.

Increasing Response Rate

To facilitate survey response, we will provide e-mail and telephone help desk support to respondents. All help desk staff will receive training that includes a handbook containing copies of relevant materials, such as the survey, an outline of the purpose and rationale of the survey, the process for addressing participant issues, and a summary of common questions.

GfK offers incentives to encourage panel participation. In addition, we will offer an extra $5 incentive to ensure that we recruit our population of interest (ex: oversample people with debt collection experience) to complete the survey. This incentive will be offered toward the end of the period the survey is in the field. and is expected to boost the completion rate by 10%. Overall we expect the completion rate to be 60-70%, based on GfK's historical completion rates for surveys of similar length.

Weighting

We will not publicly release non-response analysis for the survey respondents, or treat the data as nationally representative in publicly released reports. For this study, we plan to conduct an experimental research design and compare differences between groups to learn which debt collection disclosure forms work best to improve comprehension and how decisions around debt collection may vary based on the particular form respondents receive.

4. Describe any tests of procedures or methods to be undertaken.

The survey instrument underwent cognitive testing before the original 30 day PRA notice. New questions have been added since then and additional pre-testing will be used to assess the effectiveness of these new questions, as well as consultation with Bureau research experts.

As mentioned previously, we will include a soft launch to test the functionality of the technical administration of the survey and ensure data quality.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

BCFP

Melissa Knoll
Decision Scientist; Section Chief
202-435-7282

Erik Durbin
Senior Economist
(202) 435-9243

Brianna Middlewood
Decision Scientist; Project Lead
202-435-9356

Mick Couper
Visiting Scholar and Survey Expert

Contractors

Randal ZuWallack
Project Director
(802) 264-3724

Michael Long
Principal
(301) 572-0945

Dr. Robert Tortora
Chief Methodologist
(301) 572-0351

Melissa Cidade
Survey Methodologist
(301) 572-0867

Larry Luskin Vice President
(301) 572-0334

Andrew Dyer Principal
(802) 264-3726

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