

Interviewer's Guide for First Round of Cognitive Usability Interviews (August 2006)

Pre-Session Questionnaire

Upon arriving at the facility, participants will be asked to fill out a short background questionnaire. This questionnaire will be similar to that which was used for the focus groups in Phase 1 of the study.

Introduction (5 minutes)

At the beginning of the interview, the interviewer will give a short introduction to the background and purpose of the interviews. The participants will be assured that purpose of the project is to evaluate the disclosure materials, not their own intelligence or understanding, and that they should perform in whatever manner is typical and comfortable for them. The interviewer will also address issues of confidentiality.

The interviewer will introduce and demonstrate the concept of "thinking aloud," and explain that he would like the participant to "think aloud" throughout the interview. This technique will be demonstrated and practiced using a restaurant menu, to ensure that the participant is comfortable with it before we move on to actual disclosures.

Solicitation Disclosures (25 minutes)

Participants will be given an envelope with a simulated credit card solicitation, including all documents which are usually included with such a solicitation.

- 1) Imagine that this envelope is a credit card offer that arrived at your house. Please open up the envelope and read it over to determine whether you would sign up for the offer.
 - a. *Probe (if think-aloud doesn't elicit desired information):* What did you notice first? What next? What next?
 - b. What, if anything, did you specifically look for in this notice?
 - c. What does the phrase "balance transfer" mean on this offer?
- 2) [*Solicitation B only*] On the front of this offer it notes that the 0 percent APR on balance transfers is "fixed." What do you think that means?
 - a. Sometimes credit card offers will say that their rates are "variable" instead of "fixed." What do you think that means?
- 3) If you signed up for this credit card, how large a balance do you think the bank would allow you to keep on the card?
 - a. What is the minimum credit line that the bank might give you if you sign up for this card?
- 4) What interest rate would you be charged for purchases?
- 5) [*Solicitation A only*] As you can see, this card says this rate is "variable." What do you think that means?
 - a. Other rates on the card are "fixed." What do you think that means?

- 6) What interest rate does this credit card charge for balance transfers?
 - a. How long does this introductory rate last?
 - b. What will the rate be after that?
 - c. Could the rate change before the promotional period ends? How? Under what conditions?
- 7) What do you think is meant by the “penalty rate” (A) / “default rate” (B) listed on the solicitation? (*point out, if necessary*)
 - a. When do you think a penalty/default rate would apply? What would the rate be?
 - b. [*Solicitation A only*] Could the rate ever change back to a “normal” rate?”?
 - c. *If necessary, explain the true meaning of “penalty”/“default rate”.* Given the reasons why your rate may be changed to the default/penalty rate, can you think of a name for it that would be clearer?
- 8) Does this card have fees that would apply to it? How much would each of those fees be?
 - a. Probe for: annual fees, over-the-limit fees, late fees, cash advance fees, balance transfer fees, etc.
 - b. Do you think the fees listed here are the only fees that apply to the account, or could other fees apply to the account?
- 9) (*If applicable, depending on sample disclosure that is used*) As you can see, this credit card is offering an introductory 0 percent rate on balance transfers. Imagine that you transferred a balance of \$2,000 onto this card, and then made \$500 of new purchases. Imagine that you then made a payment of \$1,000. How would your payment be applied to these balances?
 - a. Would you be charged any interest on the remaining balance?
- 10) In looking at this offer, is there any other information not contained in the offer that you wish you had?

Account Opening Disclosure (15 minutes)

Participants will be given a sample envelope containing a card carrier and an account-opening disclosure, and told that they would normally receive these documents when they received a new credit card in the mail.

- 1) Imagine that this envelope contains the new credit card that you just signed up for, as well as information about your account. Open the envelope and review the contents exactly as you normally would.
 - a. *Probe (if think-aloud doesn't elicit desired information):* What did you notice first? What next? What next?
 - b. What, if anything, did you specifically look for in this notice?
- 2) What is the interest rate that is charged for purchases on this account?
 - a. What rate is charged for balance transfers?
 - b. What rate is charged for cash advances?

- 3) Can these interest rates change based on your behavior, such as if you pay late or go over your credit limit?
 - a. Why might your rates change?
 - b. If so, what would be the new interest rates that would apply in those circumstances?
- 4) What fees could be charged to this account?
- 5) How easy was this document to use in finding the information that you were looking for or wanted to know about the account?

Periodic Statement (25 minutes)

Participants will be given an envelope with a simulated periodic statement, including all documents which are usually included with such a statement. It will also include a change-in-terms disclosure.

- 1) Imagine that this envelope contains a monthly statement for your credit card account. Open the envelope and review the contents exactly as you normally would.
 - a. *Probe (if think-aloud doesn't elicit desired information):* What did you look for first? What next? What next?
- 2) What interest rate applies to purchases on this account?
- 3) What interest rate would be charged if you took a cash advance on this account?
- 4) When is a payment due for this card?
 - a. Is there any particular time on the due date that the issuer must receive the payment in order for it be considered received on that day?
- 5) *Point out the term "Finance Charges" on the statement.* You can see that on this statement, \$19.18 (A)/\$12.40 (B) of finance charges were charged. What are "finance charges"? What do you think would be included in that amount?
- 6) What fees have been charged to this account in the past billing period?
- 7) Did this cardholder take out cash advances in the past billing period?
 - a. What is the cost of these cash advances in the past billing period?
- 8) Imagine that while reviewing this credit card statement, you realized that you had never made a purchase from (*insert vendor from sample statement*). What would you do?
 - a. If you wanted to contact the credit card company, what would you do?
 - b. Where could you find contact information on this monthly statement?
- 9) [*Version A only*] *Point out the difference between the "corresponding APR" and "APR" for cash advances.* What do you think each of these percentages means? Why are they different?
 - a. Please read the first two paragraphs on the back of the statement—the section titled "Finance Charge." After reading this paragraph, do you have a different understanding of the difference between these two percentages?

- 10) [Version B only] Point out the “Effective Annual Percentage Rate”. What do you think this percentage means? How is it different than the other APRs provided on the statement?
- Please read the information on the bottom about the Corresponding APR and Effective APR. After reading this paragraph, do you have a different understanding of what these two percentages are?
- 11) [Version A only] Point out that one fee is labeled finance charge (the cash advance charge) and another fee isn't (the monthly maintenance fee). Why do you think this is? What does it mean if a fee is labeled a “finance charge”?
- Do you think that a fee that is labeled a “finance charge” is more important than one that is not?
- 12) Is there any other information in this statement that you would look at if you got it in the mail?

Change-In-Terms Notice (10 minutes)

Participants will be given an envelope containing a change-in-terms disclosure. The outside of the envelope will say, “Important Information about Your Account.”

- Imagine that you received an envelope like this from your bank. Would you open it? If not, why not? What do you think would be in the envelope?
- Please open the envelope and review what is inside just as you normally would if you actually received it from your bank.
 - Probe (if think-aloud doesn't elicit desired information):* What did you notice first? What next? What next?
 - What, if anything, did you specifically look for in this notice?
- Why do you think you would be sent a document like this?
- What changes have been made to the terms of this account?
- Which of these changes, if any, would you consider important? What changes would you generally want to be informed about?
- If you didn't agree with one or more of these changes, what would you do?
 - Is there any information in the document that would tell you what to do if you didn't agree to the changes?

False Close, if applicable (10 minutes)

If observers from DCCA are present, the interviewer will excuse himself briefly. The observers can suggest additional questions that they would like asked, or responses upon which they would like more elaboration from the participant.