

**Supporting Statement Part B**  
**Studies to Develop and Test Consumer Regulatory Disclosures**  
**(FR 1380; OMB No. 7100-0312)**

**Statistical Methods**

The studies are used to gather qualitative and quantitative information directly from consumers (consumer studies), and also to gather qualitative and quantitative information from financial institutions offering consumer financial products and services and from other stakeholders, such as brokers, appraisers, settlement agents, software vendors, and consumer groups (stakeholder studies). The consumer studies gather information about individual consumers' knowledge of, and attitudes toward, consumer disclosures used by financial institutions in compliance with Federal Reserve regulations. The consumer studies may also enable the Federal Reserve to develop and test consumer education resources. The stakeholder studies gather information from the institutions offering financial products and services and other third parties regarding products, disclosure, marketing, advertising, and sales practices.

For each study conducted under this information collection, the Federal Reserve would (1) determine the type of study to be conducted, (2) identify the characteristics of a test group or groups, (3) refine and test the survey questionnaire, if needed, and (4) initiate the sampling protocol. The consumer studies may take the format of focus group discussions, one-on-one interviews, telephone interviews, mall intercept testing, written questionnaires (paper or web based), or controlled experiments. The size of consumer focus groups would vary depending on the topics discussed and the format of the sessions. Experience has shown that focused discussions of not more than 10 to 12 participants are most productive.

The Federal Reserve has previously used this information collection to conduct a study focusing primarily on revising and improving credit card disclosures required by the Truth in Lending Act (TILA).<sup>1</sup> The goal of this study was to gain a better understanding of what particular information consumers want or need to receive regarding their credit card accounts, and when the information would be most useful to the consumers. Another goal of the study was to learn whether consumers understand the information provided, and what language and format(s) would ensure that consumers read and understand the information, as well as act on it, if appropriate. This study was completed in the fall of 2008 and the results of the study were used in developing a final rule on credit card disclosures that was approved by the Board in December 2008.

The studies may be conducted through an external consulting and research firm, which would be chosen in a competitive bidding process.<sup>2</sup> The research instruments may be developed by the

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<sup>1</sup> Credit disclosures are given at the following times during the life of a credit account: (1) "Schumer box" disclosures (for credit cards only) provided in direct-mail solicitations and applications; (2) disclosures provided at account opening; (3) statement disclosures provided periodically (such as monthly); and (4) subsequent disclosures, such as convenience checks/balance transfer checks, and notices provided when key account terms are changed.

<sup>2</sup> Some survey firms used by the Federal Reserve to conduct past surveys include the University of Michigan's

Federal Reserve alone or jointly with the firm selected by the Federal Reserve. The firm would be responsible for following the sampling protocol established by the Federal Reserve, conducting the study, preparing a data file containing the responses, computing analysis weights, and documenting all study procedures. Data editing and analysis of survey results would be conducted solely by the Federal Reserve, the firm, or jointly.