

Scenario Cards:

The qualitative testing will be conducted through one-on-one cognitive interviews. As indicated in the Moderator's Guide, each participant will be provided with a scenario card. Each scenario will be on a separate card. The Moderator will hand the participant the card so he or she can refer to it as a reminder. It is also a way to redirect the participant to the scenario if he or she begins to go off topic.

The scenario card and the loan information contained in the disclosure provide sufficient information for respondents to make the decision we are asking them to make about loan selection—Will you pursue this loan? Our goal is to see if the current design and information allow consumers to recognize and see differences in characteristics of the loans. Based on these differences, we expect that participants will choose a loan that will match their own personal and situational characteristics. As we probe why they chose a particular loan, we will hear the logic behind their choice and expect that they will articulate some of these influences, such as long term goals. However, ultimately, our goal is to improve the disclosure, not to judge the quality of the decisions that respondents make, we will not explicitly probe for these influences.

Consumer Scenario- Purchase

You have been shopping for a new home and have found a house that you would like to put an offer on. The house costs \$240,000 and you are planning on putting 10% down so your loan amount would be \$216,000.

Purchase Price of home: \$240,000

Down payment: \$24,000 (10%)

Loan Amount: \$216,000

Industry Scenario- Purchase

You are contacted by a couple who has found a house they want to buy. They were given your name by their realtor and are hoping you can help them get a loan to buy the house. The house costs \$240,000 and they are planning on putting 10% down so the loan amount would be \$216,000.

Purchase Price of home: \$240,000

Down payment: \$24,000 (10%)

Loan Amount: \$216,000