

Consumer Financial Protection Bureau
Qualitative Testing of Integrated Mortgage Loan Disclosure Forms
Information Collection 3170-0003
Description of Subsequent Iteration of Qualitative Testing

The Consumer Financial Protection Bureau (CFPB) is required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law No. 111-203, Title X (Dodd-Frank Act), to “publish a single, integrated disclosure for mortgage loan transactions” that satisfies requirements of the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA) by July 21, 2012 (Dodd-Frank Act, §§ 1032(f), 1098, 1100A).

The CFPB received OMB approval of its generic information collection request on November 04, 2011. The OMB control number is 3170-0003. As set forth in the Supporting Statement, the CFPB is involved in an iterative process of designing and testing the disclosure form. The first round of testing under this Information Collection occurred November 8-10, 2011 in Des Moines, IA. This was the sixth in the series of qualitative testing of the integrated disclosures under this and the CFPB’s Emergency Clearance 1505-0233. The second round of testing under this Information Collection (Round 7) occurred December 13-15, 2011 in Birmingham, AL. The CFPB conducted the third round under this Information Collection (Round 8) on January 24-26, 2012 in Philadelphia, PA. The fourth round (Round 9) took place in Austin, TX from February 20-23, 2012. In Rounds 6 and 7, the CFPB gave the public the opportunity to provide feedback on the two prototype designs that were presented through a tool on its website. In Rounds 8 and 9, the CFPB did not use an online tool to gather feedback, and instead, merely posted the prototype designs on its blog and website. The tenth round of testing occurred on March 26, 2012 in Baltimore, Maryland. The most recent round of testing, round 11, which was a Spanish language round, occurred on October 10-11, 2012 in Arlington, VA.

The CFPB will conduct an additional round (Round 12) of Spanish language testing under this Generic Clearance to continue work on a Spanish language translation of the integrated disclosures that was postponed after Round 2 of this testing. Round 12 will be a two-day round focused in particular on the Spanish translation of the prototype disclosures. It will be conducted in Phoenix, AZ on November 14-15, 2012. It will only involve eight consumers using one-on-one cognitive interviews of 90 minutes, conducted in Spanish. The interviews will be transcribed and translated into English for analysis by the CFPB. The CFPB will not use an online tool or a blog post to gather the feedback from the public on the prototype designs. This memorandum outlines the changes in the information collection tools between Round 11 and Round 12.

Changes to the Recruiting Materials:

No significant changes have been made to the recruiting materials.

Changes in the Prototype Forms:

Round 12 will use the same forms used in Round 11, with minor modifications to the Spanish language terms. Forms used in Round 12 were proposed by the CFPB in its notice of proposed rulemaking (77 FR 51116 (Aug. 23, 2012)), and contain minor formatting changes to accommodate translation into Spanish.

Changes to the Moderator's Guide for Consumers

As we did in Round 11, in Round 12 consumers will do a think-aloud with the prototype application disclosure and then answer detail questions. As in Round 11, the consumers will then do a think-aloud with the closing disclosure and will be tasked with verifying whether the information on the closing disclosure is accurate. This is a critical task for actual consumers that are reviewing their closing disclosures, and the proposed disclosures should enable this comparison. There will not be a third task.

Changes to the Moderator's Guide for Industry

Round 12 will not involve testing of industry participants.

Changes to the Scenario

The scenario card will be revised only to reflect the specific loan transactions presented.

Changes to the Internet tool

The CFPB will not use the Internet tool or a public blog post in Round 12.