

**CONSUMER FINANCIAL PROTECTION BUREAU  
REQUEST FOR APPROVAL UNDER THE GENERIC CLEARANCE  
COMPLIANCE COSTS AND OTHER EFFECTS OF REGULATIONS  
(OMB Control Number: 3170-0032)**

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**TITLE OF INFORMATION COLLECTION: Debt Collection Activities Study**

**PURPOSE:** Section 1089 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) amended the Fair Debt Collection Practices Act (FDCPA) to provide that the Bureau may prescribe rules with respect to the collection of debts by debt collectors. The FDCPA was passed in 1977 and the Consumer Financial Protection Bureau (Bureau) is the first Federal agency to possess the authority substantive rules for debt collection under this statute. The Dodd-Frank Act also gave the Bureau authority to prescribe rules for the collection of debts by creditors. The Bureau is considering proposing rules related to debt collection, and published an Advanced Notice of Proposed rulemaking (ANPR) on November 12, 2013. The purpose of the ANPR was to collect data and other information for the purpose of developing proposed debt collection rules.

The Bureau seeks approval to collect information from debt collectors, creditors and vendors to further its understanding of their business processes. The purpose of this collection is to better understand the costs of debt collection activities in order to analyze the potential burden to industry of the Bureau's debt collection proposals. More specifically, the Bureau seeks to better understand the costs of the major activities that collection firms and creditors engage in while collecting debts, such as calling consumers, sending validation letters, maintaining data on accounts and making it available to collectors, and processing disputes. Because many collectors use outside vendors for key activities (e.g. predictive dialers to place outbound calls or collection management software to maintain and update account information), a key part of this effort is to map out what vendors are used by different segments of the debt collection market and to understand the capabilities and cost structures of different products.

The Bureau anticipates that it may convene a Small Business Review Panel in connection with any proposed debt collection rulemaking. The proposed information collection would enable the Bureau to build its understanding of the cost structure of debt collection firms, in order to more effectively gather feedback from the Small Business Review Panel on the likely burdens of proposals under consideration. The Bureau expects that the voluntary information collected from debt collectors, creditors, and vendors will inform the debt collection rulemaking process by providing a starting point for the Bureau's analysis of the potential burden on industry of proposed regulations. However, the information collected under this request will not be used to substantially influence substantive aspects of any potential rulemaking undertaken by the Bureau.

**DESCRIPTION OF RESPONDENTS:** Respondents for this information collection will include relevant executives and representatives from volunteer participant institutions. These respondents will represent various departments and functional areas from debt collectors, creditors and vendors. In identifying potential respondents, the Bureau will attempt to identify collectors and creditors representing a diverse cross-section of the industry, including collectors that vary in size, market focus (e.g. credit card debt, medical debt, utilities, etc.) and collection

techniques. The Bureau will identify vendor respondents based on information collected from debt collectors and creditors about the vendors they use in their operations.

**TYPE OF COLLECTION:** (Check one)

- Customer Comment Card/Complaint Form       Customer Satisfaction Survey  
 Usability Testing       Small Discussion Group  
 **Other: Written questionnaire, followed by structured interview**  
 Focus Group

**CERTIFICATION:**

By submitting this document, the Bureau certifies the following to be true:

1. The collection is voluntary.
2. The collection is low-burden for respondents and low-cost for the Federal Government.
3. The collection is non-controversial and does not raise issues of concern to other federal agencies.
4. Information gathered will not be used solely for the purpose of substantially informing influential policy decisions.
5. The collection is targeted to the solicitation of opinions from respondents who have experience with the program or may have experience with the program in the future.
6. The results will not be used to measure regulatory compliance or for program evaluation.

**Personally Identifiable Information:**

1. Is personally identifiable information (PII) collected?  Yes  No

Yes, we will be collecting contact information from respondents, including: name, business address, business email address, business phone number, title and name of entity.

2. If Yes, is the information that will be collected included in records that are subject to the Privacy Act of 1974?  Yes  No  Not Applicable

**Link to Privacy Impact Assessment (PIA):** Industry, Expert, and Community - Input, and Engagement - [http://files.consumerfinance.gov/f/201412\\_cfpb\\_pia\\_industry-expert-community-input-and-engagement.pdf](http://files.consumerfinance.gov/f/201412_cfpb_pia_industry-expert-community-input-and-engagement.pdf)

3. If Applicable, has a System or Records Notice been published?  
 Yes  No  Not Applicable  
Title: CFPB.022, [Market and Consumer Research Records](#)  
77 FR 67802

**Gifts or Payments:**

Is an incentive (e.g., money or reimbursement of expenses, token of appreciation) provided to participants?  Yes  No

**BURDEN HOURS**

The estimated time to review questions in the written survey and provide written answers is 30-120 minutes. The Bureau expects that most respondents will require time on the lower end of this range, though the Bureau and/or respondents may have follow up questions, and correspondingly use more time. Estimated time per structured interview is 60-120 minutes, depending on the completeness of the respondent’s written response and the extent to which follow-up questions are required. The Bureau expects that most respondents will require time on the middle of this range. The burden estimated in the table below is a conservative, “upper-bound” estimate of time, as well as the number of anticipated respondents for the information collection.

<b>Information Collection</b>	<b>Number of Respondents</b>	<b>Responses per Respondent</b>	<b>Number of Responses</b>	<b>Participation Time (hours)</b>	<b>Burden Hours</b>
Debt Collectors Responding to Written Survey Only	75	1x	75	1	75
Creditors Responding to Written Survey Only	75	1x	75	1	75
Debt Collectors Responding to Written Survey and Participating in Structured Interviews	20	1x	20	3	60
Creditors Responding to Written Survey and Participating in Structured Interviews	20	1x	20	3	60
Vendors	20	1x	20	2	40
<b>Totals:</b>	<b>210</b>	//////////	<b>210</b>	//////////	<b>310</b>

**FEDERAL COST:** This collection of information will not result in the Bureau incurring any new or additional costs. However, several CFPB employees in the Division of Research, Markets and Regulations will spend focused time on the information collection effort.

**If you are conducting a focus group, survey, or plan to employ statistical methods, please provide answers to the following questions:**

**The selection of your targeted respondents**

1. Do you have a customer list or something similar that defines the universe of potential respondents and do you have a sampling plan for selecting from this universe?

- Yes
- No

If the answer is yes, please provide a description of both below (or attach the sampling plan)? If the answer is no, please provide a description of how you plan to identify your potential group of respondents and how you will select them?

To identify respondents for the written survey of debt collectors and creditors, the Bureau will identify debt collectors and creditors from contacts made through preexisting outreach and the Bureau's industry knowledge. The Bureau may also use information from state licensing departments or other publicly available sources to identify debt collectors and creditors in segments of the market with which the Bureau has less contact. A focus of the Bureau's outreach in this collection will be on smaller to mid-size debt collectors and creditors and the Bureau anticipates that most respondents would be in this group. The Bureau will also attempt to identify respondents from a range of industry segments (e.g., third-party collectors vs. debt buyers, collectors of different types of debt).

To identify respondents for structured interviews, the Bureau will review responses to the written survey to identify debt collector, creditor, and vendor respondents. The Bureau will select debt collector and creditor respondents that represent a diversity of business types in terms of size and business practices. The Bureau will identify vendor respondents based on the vendors identified in survey responses from debt collectors and creditors.

**Administration of the Instrument**

1. How will you collect the information? (Check all that apply)

- Web-based or other forms of Social Media
- Telephone
- In-person
- Mail
- Other, Explain: e-mail.

2. Will interviewers or facilitators be used?  Yes  No

## **B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This information collection does not employ statistical methods.

### **1. Respondent Universe and Selection Methods**

Please see above the section titled “**The selection of your targeted respondents**”.

### **2. Information Collection Procedures**

The information will be collected from debt collectors and creditors through written questionnaires, and then based on those responses; the Bureau will conduct structured interviews. Information providers will generally be approached using the first attached letter (Exhibit A) that lays out the nature of the collection effort although in some circumstances it may be more appropriate to approach an institution by telephone. In such instances, the attached letter will be used as a script. Volunteer respondents will be provided with a written questionnaire (attached as Exhibit B) and asked to provide written responses. The Bureau will then conduct structured interviews with a subset of the respondents that provided written responses and also with vendors identified by collectors and creditors in the written responses. For debt collectors and creditors, the specific questions asked in any particular oral interview will be based on the attached script (Exhibit C) and may be tailored to the respondent’s answers to the written questionnaire. Whether or not the Bureau conducts an oral interview will depend on the respondent’s stated willingness to participate and on the business characteristics of the respondent, such as size, types of debt collected, and collection practices.

The Bureau will solicit vendors through a similar letter (attached as Exhibit D). To select vendors to target, the Bureau will use information collected from debt collectors and creditors to identify vendors that are used by a diversity of debt collector and creditor respondents. The Bureau will send selected vendors a list of questions (attached as Exhibit E) and collect information from through a combination of written responses and structured interviews. The Bureau recognizes that many vendors are large and it may be difficult to get all information with no advanced notice. Sending questions in advance is an efficient way of gathering information from vendors.

### **3. Methods to Maximize Response Rates and Address Issues of Non-Response**

This collection of information will not employ statistical methods and, therefore, issues of non-response and non-response bias analyses are not applicable. It is worth noting, however, that the Bureau will only seek responses from institutions that agree to participate.

### **4. Testing of Procedures or Methods**

Not applicable.

### **5. Contact Information for Statistical Aspects of the Design**

Methodologies are consistent with collections of information approved under this generic clearance.

**Exhibits:**

Exhibit A: Creditor and Debt Collector solicitation letter

Exhibit B: Creditor and Debt Collector questionnaire

Exhibit C: Creditor and Debt Collector structured interview script

Exhibit D: Vendor solicitation letter

Exhibit E: Vendor structured interview script