



DRAFT – Debt Disclosure Forms Focus Groups Discussion Guide

A. Introduction and Ice Breaker (5 minutes)

Hello everyone and welcome. Thank you for taking the time out of your busy day to meet with us. My name is [NAME OF FACILITATOR] and I will be your moderator for this focus group today. I work for Fors Marsh Group, we are a private research firm, and we are helping the Consumer Financial Protection Bureau gather information that will help the government understand how financial companies interact with consumers.

[For group with no debt collection experience] I will be asking you to answer some questions about your understanding of the debt collection process. I know that you all have NOT ever had a debt in collection, but we're interested in hearing the opinions of people who aren't familiar with the process.

[For groups with debt collection experience] I will be asking you to answer some questions about experiences you may have had with the debt collection process. Everyone is here because they have had some experience with debt collection, and many Americans have debt in collection at one time or another.

[For all groups] Today we are going to talk about the debt collection process and your understanding of the process, and we'll look at some materials. We are interested in your thoughts and opinions so we can understand what could make the debt collection process and materials clearer in the future.

Before we get started, I want to emphasize that everything said in this room is considered private. I'm here to listen and understand your perspective on these issues, not to judge or criticize you in any way. We will not share any information with any debt collectors, attorneys, collection firms, or others that try to recover debt.

There are some people from my team and from the CFPB who are in the other room to observe, take notes, and record your comments. Your candid feedback will be very valuable, so even though people are observing, please speak openly about your opinions and experience. We want to learn from you, so it is important that you share your honest opinions. Audio recordings and transcripts will be maintained for future research use; however responses will not be linked to you personally. Your name and other personally identifiable information will be removed from the transcripts and your identity will not be associated with any particular comment or statement. Your participation is voluntary and you can withdraw at any time.

And finally, since we are talking about a subject that could be sensitive and people might share personal information, we ask that you keep anything that is said here private after you leave.

Does anyone have any questions before we move on? If you think of any questions later, you can interrupt me and ask.

Now that some of those formalities are out of the way, we can get to some introductions. We'll go around the table and I want everyone to say their name and where they would go on a vacation if they won the lottery.

I'll start. My name is [NAME OF MODERATOR], and if I won the lottery I would go on a vacation to [DESTINATION]. Let's continue to my left.

B. Understanding the Debt Collection Process (10 minutes)

To begin our discussion, I'd like to ask everyone about your understanding of the debt collection process.

1. What do you think of when I say "debt collection"?
 - a. What would you expect to experience if your debt is in collection?
 - b. What are you most concerned about [*for no experience people*: what do you think you'd be most concerned about], or what are you most afraid of [*for no experience people*: what do you think you'd be most afraid of] when you think about debt collection?
 - i. [If necessary] Ruining your credit? Lawsuits? Jail time?
2. Where do you get your impressions of the debt collection process?
 - a. Who talks about it? What do they say about it?
 - b. Where do you see it?

We are here today to talk about consumer debt collection. To make sure we are on the same page, I want to define this – we are specifically talking about when a debt collector, an attorney, a collection firm, or another party contacts a consumer to request payment on a debt.

C. Recall About Debt Collection Notices (10 minutes) **[For groups with debt collection experience only]**

Now I want to ask about your initial impressions of the debt collection notices you may have received.

1. Do you remember getting a letter in the mail from a debt collector when the collector first started to collect the debt?
2. What do you remember about the notice(s) that you received about your debt in collections?
 - a. Was the notice clear or confusing?
3. At the time you received it, did you recognize the debt listed on the notice based on information in the notice?
 - a. If not, what made it difficult to recognize?
 - b. If yes, what information in the notice helped you recognize the debt?
 - i. [If necessary] the name of the creditor, the amount, the account number?
4. When you received the notice, what did you think would happen if you didn't pay it?
 - a. [If necessary] Did you think you could be sued?
 - i. Did you think that was likely?
 - b. [If necessary] Did you think not paying could damage your credit rating?
 - i. Did you think that was likely?

- c. [If necessary] Did you think you could get arrested?
 - i. Did you think that was likely?
- 5. On the notice, what would you have liked to see that was missing?
- 6. What information was helpful?
- 7. Did you try to confirm the information given in the notice?
 - a. What information in the notice did you try to confirm?
 - b. What additional information did you look at? [If necessary] Old billing statements, other correspondence from the creditor, Internet?
 - c. Did you talk to anyone to try to confirm the information in the notice?
- 8. What was your reaction to the notice?
 - a. Did you know what to do next?
 - b. Did you take any specific steps in reaction to the notice?
 - c. What do you know now about the notices that you would have liked to know when you first saw it?
 - d. Did the notice make you to ask for help? Where did you look for help/more information?
 - e. Did the notice seem trustworthy?
 - i. What made it trustworthy?
- 9. Did you ever receive a notice from a collector and then later receive a notice from a different collector about the same debt?
 - a. Why do you think that was happening?
 - b. How did you deal with that situation?
 - c. Were you confident about who you should pay if you decided to pay the debt?

D. Consumer Rights Activity (20 minutes – SEE ATTACHMENT)

Let's start with a show of hands: Raise your hand if you think that you have rights as a consumer during the debt collection process.

Okay, before we talk more about that, I'm going to give you a list of possible consumer rights during the debt collection process. I'd like you to circle the ones that you think are consumer rights under the law. You're not being graded on how many rights you can identify, so don't worry if you're not sure about some, just circle the ones that you think are rights under the law.

[Give participants Attachment "Section E" and have them circle their answers.]

It looks like everyone is done. I'd like to talk about what everyone thinks about these rights. As we go through, you may change your mind about some of the rights, but please don't change your paper responses. *[Go through the list of rights and for each one ask the following questions]*

- 1. Was this a right that you thought that consumers have in debt collection?
 - a. Why or why not?
 - b. If consumers do not currently have this right under the law, do you think this is a right that would help consumers? Why/how would it help?

[Collect lists from participants, and then show correct answers on the screen and hand out the list to each participant.]

So this is a list of the consumer rights from that exercise that were real. I'd like you first to rank order these rights—mark the one that you think would be most important to you as number 1, and the one that would be least important to you as number 11. And then we will discuss these.

1. Were you aware of these rights?
2. How would you go about finding more information on these rights?
 - a. Have you ever looked into what your rights were in debt collection before? If so, where? What did you find? Was it helpful?
3. Who would you talk to about these rights?
 - a. Who do you trust to provide you with information about your rights? Who do you think is on your side? Who is a consumer advocate?
 - b. Would you trust a debt collector if he or she was explaining rights to you? Why or why not?
4. Now that you've done this exercise, what do you know now about your rights that you wish you knew before you were first contacted by a debt collector? Where should you be able to find information about your rights? If you looked online, what websites would you expect to have trustworthy information?
5. Which rights did you say are the most important to you?
 - a. How did you rank **[moderator – select rights to discuss]**?
 - b. What makes you rank them in this way?
6. Which rights did you rank as the least important to you?
 - a. Why?

E. Time-Barred and Obsolete Debts (5 minutes)

Now we're going to talk specifically about debts that are old. We learned from the last exercise that after a certain number of years, while debts aren't forgiven, it may be illegal for collectors to take certain actions regarding some unpaid debts. For example, a collector may be unable to file a lawsuit to collect the debt. In addition, it may be unlawful for older debts to appear on the consumer's credit report. However, collectors may still contact consumers requesting payments of these debts. [Repeat if necessary.]

1. Did that make sense?
2. Were you aware of these rules?
3. How do you think you would know if you had a debt like this?
4. If you had a debt like this, what would you want to know about it?
5. Why would it be important to you to know that you could not be sued to collect the debt? Would that change your behavior? How?
6. Why would it be important to you to know that the debt could not appear on your credit report? Would that change your behavior? How?
7. If you knew you couldn't be sued on the debt would it also be important to know that the debt could not appear on your credit report? Would knowing both pieces of information change your behavior any differently? How?
8. If you had an old debt like this, would you want to know what actions a collector could take if you didn't pay?
 - a. What would be the best way to communicate that to you?

9. If you learned that one of your debts fell into one of these categories, what would you do?

Sometimes collector's regain their ability to file a lawsuit to collect debt when consumers make payments on old debts on which they could not be sued.

1. Were you aware of this?
2. How do you think you would know if you had a debt like this?
3. If you had a debt like this, what would you want to know about it?
4. If you learned that a debt you had was like this, what would you do?
5. If the debt collector told you that if you paid some amount on the debt, they would NOT regain their ability to sue, would you trust them? Who would you trust? Why?

F. Mini-Miranda (5 minutes)

Now I'm going to read you something that collectors say over the phone and I'd like your reactions: "This call is from a debt collector. This is an attempt to collect a debt. Any information obtained will be used for that purpose."

1. If you had to explain what these sentences mean to another person, what would you say?
2. Why do you think collectors say that?
3. Do you find that information useful?
4. Would hearing that language make you change your behavior in any way?
5. Would it make a difference if collectors made clear they were required by law to recite those lines? How?
6. What about if debt collectors just said "This call is from a debt collector?"
 - a. Do the other two statements add anything?

G. Debt Collection Notices Activity (30 minutes total, 15 min per notice)

Okay, now we're going to talk specifically about notices about debt collection that people get in the mail. Let's start by talking about the mail you get at your home.

1. Do you open every piece of mail you get?
2. How do you decide what to open or not open?
 - a. What don't you open?
3. What makes you more likely to open a specific piece of mail?

[Hold up a sample of a validation notice envelope.]

1. What about this—would you open this?
2. If not, why not?
3. Does it seem important?
4. What would make you more likely to open this?
5. And what about email?
 - a. Do you open every email you get?
 - b. What makes you open an email?
 - c. What about attachments or links? How do you decide what to open?

Okay, so let's say that you did open one of these envelopes, and inside there is a notice about debt collection. I'm going to give you an example of what that notice would look like, and I'm going to ask you to take a minute to read over it. While you're reading, I want you to take the highlighter that is in front of you, and highlight the information in the notice that you think would be the *most useful information to you if you got this in the mail*.

Next I would like you to take the black pen that is in front of you and circle anything that you did not know before.

Next I would like you all to take the red pen that is in front of you and circle anything you find particularly confusing.

Now, if you flip the form over, on the back there are a couple of questions I want you to answer about this notice.

1. The format of this notice is well organized. (1=strongly disagree – 5=strongly agree)
2. The language in this notice is clear. (1=strongly disagree – 5=strongly agree)
3. The information provided in this notice is trustworthy. (1=strongly disagree – 5=strongly agree)

[Show sample notice on the screen.]

Here is the notice that you just evaluated. Let's discuss this form.

1. What do you think is the purpose of the form?
 - a. How can you tell?
2. What is the most important information to you in this form?
 - a. What is the most useful?
3. Do you trust the information on the notice?
 - a. What is making you trust or not trust it?
 - b. What would make you trust it more?
4. If you received this, what would you do next?
 - a. If you thought it was your debt? What if it wasn't your debt?
 - b. Is there anything else that you would want to see on this notice that you think would help you recognize the debt?
5. There are some consumer rights already displayed in this notice. What do you think about the way the rights are displayed?
 - a. Do you think you could improve the way the rights are explained?
 - b. What if there were even more rights on the notice?
 - i. How would you want them to be displayed?
 - ii. For example, would you want a short list of rights directly in the notice, would you want a separate sheet describing your rights in greater detail, or would you want to receive a link to a website that explains your rights?
 - c. What would be the most trustworthy way to receive information about your rights?
 - i. Would the method of delivery change whether you thought it was official or important? For instance, if you got it in the mail? In a phone call? Via email? Via text message?
6. What other improvements can be made to this notice?

[Repeat with second notice]

H. Additional data elements

Now I'm going to ask you about additional information that could be put on the notices you just looked through. For each piece of information, I want you to raise your hand if you think it would be useful to have that information on the notice you receive when the debt collector first contacts you. Keep in mind that the notice is only so big, so there are some space constraints. Also, feel free to ask me if you don't understand the piece of information I'm talking about.

- List your debt amount separately by principal, interest, and fees
- Name and address of joint borrowers or co-signers
- Contact information about the current owner of the debt
- The name and address of the person who supposedly owes the debt
- The partial Social Security Number of the person who supposedly owes the debt
- The original account number (or a truncated version)
- The name of the original creditor (if different from the current owner)
- The name of the brand associated with the debt, where different from the original creditor (so Best Buy, not Citibank)
- The name of the doctor, medical group, or hospital for past-due medical bills
- More information about the medical service provided, such as the itemized bill, the procedure name, or the referring doctor
- The type of the debt (e.g., student loan, auto loan)
- The date and amount of the last payment by the consumer on the debt
- A copy of the last periodic statement
- The date of the original contract
- The original amount of the debt
- The amount of the debt when it moved into collections

I. Conclusion (5 minutes)

As we wrap things up, let me ask a few final questions about the debt collection process generally.

1. *[For those with debt collection experience]* How do you think the debt collection process could be improved?
2. What would you do if you started feeling harassed by a debt collector?
 - a. *[If they say they'd cease communications]* What do you think would happen after you asked the collector to stop contacting you?
3. What would you do if you weren't sure that the debt collector had the right debt amount?
4. What would you do if you didn't have the money to pay the debt?
5. If you had multiple debts in collection, how would you decide which debts to pay first?
6. What other kinds of things might affect how you would respond to an effort to collect debt?
7. If you were giving advice to a friend who was recently contacted by a debt collector, what is the most important thing you would tell your friend?

Those are all the questions I have for everyone. I want to sincerely thank everyone again for taking the time to answer my questions and work through these exercises. Before we finish up, does anyone have any questions for me, or anything else they'd like to say about the debt collection process?