

REQUEST FOR APPROVAL UNDER THE “GENERIC CLEARANCE FOR DEVELOPMENT AND OR TESTING OF MODEL FORMS, DISCLOSURES, TOOLS, AND OTHER SIMILAR RELATED MATERIALS” (OMB CONTROL NUMBER: 3170-0022)

- 1. TITLE OF INFORMATION COLLECTION:** Testing of Model Bankruptcy Periodic Forms for Mortgage Servicing

- 2. PURPOSE:** CFPB is developing and modifying proposed model forms with respect to disclosure of information to be contained in periodic statements for residential mortgage loans for borrowers in bankruptcy pursuant to Section 1420 of the Dodd-Frank Act. On November 20, 2014, the CFPB issued a Notice of Proposed Rulemaking (NPRM), which proposed amendments to Regulation Z. The NPRM proposes that, with certain exceptions, creditors, assignees, and servicers will be required to provide periodic statements to mortgage loan borrowers who are in bankruptcy. As part of the NPRM, the CFPB proposed two standard model forms (see attachments) for periodic statements to mortgage loan borrowers who are in bankruptcy. One form contains disclosures tailored for borrowers who are debtors in cases under Chapters 7 or 11 of the Bankruptcy Code. The other form contains disclosures tailored for borrowers who are debtors in cases under Chapter 12 or 13 of the Bankruptcy Code. The proposed forms for mortgage loan borrowers in bankruptcy are based upon the existing already-tested and finalized standard model forms located at Appendix H-30 to Regulation Z, with some modifications, but the CFPB wants to conduct consumer testing on the proposed forms for mortgage loans borrowers in bankruptcy.

- 3. DESCRIPTION OF RESPONDENTS:** Respondents include consumers who have recently experienced or currently engaged in Chapter 7 or 13 bankruptcy. Respondents represent a diverse mix of ages, races, ethnicities, and education levels, but are not intended to be a statistically significant or representative sample of the affected population.

- 4. TYPE OF COLLECTION (ADMINISTRATION OF THE INSTRUMENT):**
 - a. How will you collect the information?** (Check all that apply)

<input checked="" type="checkbox"/> Web-based or other forms of Social Media	<input type="checkbox"/> Telephone
<input checked="" type="checkbox"/> In-person	<input type="checkbox"/> Mail
<input type="checkbox"/> Small Discussion Group	<input type="checkbox"/> Focus Group

 Other, Explain: Individual Interviews

 - b. Will interviewers or facilitators be used?**

Yes No Not Applicable

 - c. What type of disclosure or model form is being tested?**

<input checked="" type="checkbox"/> Mortgage	<input type="checkbox"/> Student Loan	<input type="checkbox"/> Electronic Disclosure
<input type="checkbox"/> Credit Card	<input type="checkbox"/> Pre-paid Cards	<input type="checkbox"/> Check Cashing
<input type="checkbox"/> Remittances	<input type="checkbox"/> Debt Collection	<input type="checkbox"/> Checking Accounts
<input type="checkbox"/> Payday Loans	<input type="checkbox"/> Other (Explain): _____	

5. FOCUS GROUP OR SURVEY:

If you plan to conduct a focus group or survey, please provide answers to the following questions:

No focus groups or surveys. We are conducting individual interviews.

a. 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 Not Applicable

The study seeks to recruit individuals who have previously, and preferably recently, filed for Chapter 7 or Chapter 13 bankruptcy. Because this universe of respondents is small and the study is qualitatively-oriented, this study will not use a probability sample from this universe of individuals. Instead, participants will be solicited through open advertisements and through targeted recruitment, which will be facilitated through publically-available information sources (e.g., Public Access to Court Electronic Records, PACER). PACER will be used to obtain case and docket information for individuals who have recently filed for Chapter 7 or Chapter 13 bankruptcy within each recruitment location. However, this data is cumbersome to extract and reflects only information current at the time of the filing. As such, PACER will be used in combination with other sources to create a non-probabilistic sample from the universe of Chapter 7 and Chapter 13 bankruptcy individuals.

b. If the answer is yes, please provide a description below. 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?

The recruiting plan will involve publicizing the study in a variety of places, including on social media sites, such as Facebook and Craigslist (among others), in physical locations (such as credit counseling agencies) relevant to people in bankruptcy, and through the databases of potential respondents maintained by focus group facilities and individuals identified through PACER's records. Individuals who identify themselves as being in Chapter 7 or Chapter 13 bankruptcy will then complete either an online or telephone screener asking basic demographic questions. Screener results will then be used to determine whether the individual qualifies for the interview. The primary qualification is that respondents will be individuals who are either currently in or were recently in Chapter 7 or Chapter 13 bankruptcy.

6. PERSONALLY IDENTIFIABLE INFORMATION:

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

b. 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

If applicable, provide link to the Privacy Impact Assessment (PIA):

c. If Applicable, has a System or Records Notice been published?

Yes No Not Applicable

If yes, cite the SORN:

Title: [CFPB.022-Market and Consumer Research Records](#) SORN 77 FR 67802.

7. INCENTIVES:

a. Is an incentive provided to participants? Yes No

b. If Yes, provide the amount or value of the incentive? \$ 75

c. If Yes, provide a statement justifying the use and amount of the incentive:

The cash incentive increases the response rate for the relatively small pool of potential respondents. While sessions will last 60 minutes, participants are required to arrive early to sign in, and to ensure sessions begin on time. Upon completion of the session, participants are required to sign out and receive their incentive. Thus, they are in the office for about 75 minutes. Further, many participants have to travel to and from the facility. In our experience, a \$75 incentive for a 60-minute session allows for successful recruitment by reducing the amount of time required to recruit (i.e., it is more difficult and takes longer to recruit participants when we offer a lower incentive) and simultaneously increasing the attendance rate.

8. BURDEN ESTIMATES:

Information Collection	Number of Respondents	Frequency	Number of Annual Responses	Average Response time (hours)	Burden Hours
Cognitive Interviews	51 ¹ (17 per location)	1x	51	1	51
Online Screener or Telephone Screener	300 (100 per location)	1x	300	5 minutes	25
Totals	300	////////////////	351	////////////////	76

9. FEDERAL COST: The estimated annual cost to the Federal government is \$203,963.93.

¹ The respondents for these interviews will be a subset of the 300 who participate in the online or phone screener

10. CERTIFICATIONS

PURSUANT TO 5 CFR 1320.9, AND THE RELATED PROVISIONS OF 5 CFR 1320.8(b)(3) :

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

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (d) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (e) It indicates the retention period for recordkeeping requirements;
- (f) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
 - (i) Why the information is being collected;
 - (ii) Use of information;
 - (iii) Burden estimate;
 - (iv) Nature of response (voluntary);
 - (v) Nature and extent of confidentiality; and
 - (vi) Need to display currently valid OMB control number;
- (g) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected (see note in Item 19 of the instructions)
 - (i) It uses effective and efficient statistical survey methodology; and
 - (ii) It makes appropriate use of information technology.

CERTIFICATION FOR INFORMATION COLLECTIONS SUBMITTED UNDER A GENERIC INFORMATION COLLECTION PLAN

- (a) The collection is voluntary.
- (b) The collection is low-burden for respondents and low-cost for the Federal Government.
- (c) The collection is non-controversial and does not raise issues of concern to other federal agencies.
- (d) The results are not intended to be disseminated to the public.
- (e) Information gathered will not be used for the purpose of substantially informing influential policy decisions.
- (f) The collection is targeted to the solicitation of opinions from respondents who have experience with the topics or issues being studied.
- (g) The results will not be used to measure regulatory compliance or for program evaluation.
- (h) The results are not intended to be generalizable or otherwise draw inferences beyond the surveyed population.