

**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)**

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**1. TITLE OF INFORMATION COLLECTION:**

Credit Cards Rewards and Deferred Interest Products Focus Groups

**2. PURPOSE:**

Section 502(a) of the Credit Card Accountability Responsibility and Disclosure Act of 2009 (“CARD Act”) requires periodic reviews of the consumer credit card market; the October 2013 report was the first iteration of this biennial requirement. As part of this first report, the Bureau highlighted potential consumer risks related to credit card rewards products and deferred interest products. In preparation for the October 2015 report, focus groups will be conducted to collect qualitative data on consumer risks related to credit cards rewards products and offers and to deferred interest products and offers. These focus groups will allow CFPB to gain a better understanding of consumer decision-making related to rewards credit cards and using credit to finance large purchases, including the role of promotional financing.

**3. DESCRIPTION OF RESPONDENTS:**

Focus groups will be conducted with two types of consumers:

Credit Card Rewards groups will include both consumers with rewards credit cards and consumers who do not have rewards credit cards/are unaware of their card rewards and who revolve credit card debt.

Deferred Interest Products groups will include consumers who have made large home/technology purchases using a store card and consumers who have used a special financing store offers in the past. A mix of consumers of high and low incomes and prime and subprime credit scores will be included.

**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 checked="" type="checkbox"/> Telephone   |
| <input type="checkbox"/> In-person   | <input type="checkbox"/> Mail                   |
| <input type="checkbox"/> Small Discussion Group                              | <input checked="" type="checkbox"/> Focus Group |
| <input type="checkbox"/> Other, Explain _____                                |   |

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

Yes  No  Not Applicable

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

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Mortgage               | <input type="checkbox"/> Student Loan           | <input type="checkbox"/> Electronic Disclosure |
| <input checked="" 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:**

**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

**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), and through the databases of potential respondents maintained by focus group facilities. A screener will be used to identify those respondents who qualify for the focus groups.

**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):**

Consumer Experience Research PIA, June 30, 2014

**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  
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?** \$ 75.00.

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

While the focus groups 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:**

CFPB plans to conduct 8 focus groups with 5 participants each (4 focus groups to study disclosures relating to credit card rewards and 4 focus groups to study disclosure relating to differed interest products).

In order to recruit the targeted mix of 40 focus groups participants, CFPB’s contractor will conduct a web-based screener of an estimated 120 respondents. Once the desired participants have been identified, the contractor will conduct a phone confirmation with the potential participants.

The estimated burden for this study is provided in the below table.

Information Collection	Number of Respondents	Frequency	Number of Annual Responses	Average Response time (hours)	Burden Hours
Web Screener	120	1	120	.07	8
Phone Confirmation	40	1	40	.05	2
Credit Cards Rewards Groups	20 (4 groups of 5 respondents each)	1	20	1	20
Deferred Interest Products Groups	20 (4 groups of 5 respondents each)	1	20	1	20
<b>Totals</b>	<b>120*</b>	-	<b>200</b>	////////////////////-	<b>50</b>

\* Focus group participants and respondents to the Phone Confirmation are a subset of those who respond to the Web Screener; therefore, the estimated number of Respondents is 120.

**9. FEDERAL COST:** The estimated annual cost to the Federal government is \$100,686.04.

## **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.

