

Design and Testing of Mortgage Servicing Disclosures: Protocol for In-Depth Cognitive Interviews

Round 4: Location and Date TBD

Introduction (2 minutes)

My name is _____ and I work for a company called ICF International. We are a research company that conducts interviews and focus groups on behalf of different organizations across the country. For this specific project, we are working on behalf of the Consumer Financial Protection Bureau. The Consumer Financial Protection Bureau is a new agency of the Federal government whose role is to make markets for consumer financial products and services work for Americans — whether they are applying for a mortgage, choosing among credit cards, or using any number of other consumer financial products. Today, we are going to be talking about several topics related to mortgages, and I'm going to ask you to review two different documents. I want to be clear up front that I am not an expert in this topic—you can ask me questions, but I may not be able to answer them. This interview will take no more than 60 minutes, and you may take a break and step out or end the interview at any time.

Before we begin, have you had an opportunity to read and sign the informed consent? Do you have any questions about it?

I'd like to remind you of a few things that were on that document.

- We will be videotaping this discussion, to make sure we don't miss anything that you say.
- Behind the glass, there are people observing this interview from both the Consumer Financial Protection Bureau and my company, ICF International.
- Everything that you say in this discussion will be private. Your name will never be used in any of our reports.

Do you have any questions before we begin?

Section I: Background Information (10 minutes)

Let's begin by talking for a few minutes about your experience with mortgages.

1. Do you have a mortgage?
 - a. [If Yes] How long have you had it?
 - b. How close are you to paying it off?

2. Tell me a little about the terms of your mortgage.
 - a. Is your interest rate fixed, or can it change?
3. If you were having trouble paying your mortgage, what would you do?
 - a. What options do you think you would have?
 - b. Would you contact anyone? If so, who and why?
 - c. Who do you think would be able to help you if you were having trouble paying your mortgage?

Section II: Servicing Transfer Notice (15 minutes)

At this point I would like you to imagine that you have a mortgage with a company called “Springside Mortgage.” I’d like you to imagine that you just received a notice from Springside Mortgage in the mail. I am going to show you that notice, and I’d like you to read it just as you would if you received it in real life. As you are reading, I want you to “think aloud.” By that, I mean that I would like you to describe what you are thinking as you read. In particular, let me know if you read anything that you find surprising, interesting, or confusing.

Hand participant the servicing transfer notice. Give him or her a few minutes to read while thinking aloud. When he or she is finished, continue.

4. In a few sentences, explain to me what this notice is telling you.
5. What would be your reaction to this notice if you received it? Why?
 - a. Would this information be important to you? Why or why not?
 - b. Would you do anything after receiving this notice? Why or why not?
6. Is there anything you found confusing or unclear about the notice?
 - a. Would you have any questions if you received this notice? If so, what?
7. The first sentence in the notice says that “the servicing of your mortgage loan is being transferred.” What does this mean?
8. Is there anything that you will have to do differently in the future because the servicing of your loan was transferred? If so, what?
 - a. When will you have to start doing that?
 - b. If you did not do that, what would happen?
9. If you wanted to know why the servicing of your loan was transferred, what would you do?

- a. Who would you contact? Why?
- b. How would you contact them (e.g., by phone, mail, etc.)? Is there information in this notice about how to contact them?

Section III: Early Intervention Notice (18 minutes)

[*Take away servicing transfer notice.*] Now we are going to move on, and I am going to ask you about a different document. You can forget what that last notice said, and assume that it no longer applies to our discussion.

Again imagine that you have a mortgage with a company called “Springside Mortgage,” and again imagine that you receive a notice from them in the mail. Like last time, I’d like you to read over this notice just as you would if you really received it in real life. And again, I would also like you to “think aloud” as you read.

Give participant the early intervention notice. Give him or her a few minutes to read while thinking aloud. When he or she is finished, continue.

10. In a few sentences, what are the most important things that this notice is telling you?
11. Is there anything you found confusing or unclear about the document?
 - a. Would you have any questions if you received this notice? If so, what?
12. What would be your reaction to this document if you received it? Why?
 - a. Would you do anything after receiving this notice? Why or why not?
13. This notice indicates that you are behind on your mortgage payments (*point out, if necessary*). If you don’t get up-to-date on your mortgage payments, what could Springside Mortgage do?
14. In your own words, what is meant by the term “foreclosure”?
 - a. Are you basing this on your own knowledge, or on something you saw in the notice?
 - b. *If respondent says they were answering based on their own knowledge:* Does the notice explain what foreclosure is?
 - c. *If participant gives a reasonably accurate description of what “foreclosure” is:* If someone missed a mortgage payment, about how long do you think it would be before the bank began the foreclosure process?
15. Imagine that you knew that you were not going to have enough money to make your mortgage payments in the future. What would you do?

- a. If you wanted to contact Springside Mortgage, is there any information in the notice about how you could do so?
16. If you did not have enough money to make your mortgage payments, is there anything else you could do to avoid foreclosure?
- a. Does the notice provide any information about ways you might be able to avoid foreclosure? If so, what are those options?
17. *If necessary, direct respondent's attention to the list of available loss mitigation options.* In your own words, what does "forbearance" mean?
- a. How might this help you avoid foreclosure?
 - b. Have you ever heard this term before?
18. What does "mortgage modification" mean?
- a. How is this different from forbearance?
 - b. Have you ever heard this term before?
19. What does "short sale" mean?
- a. How might this help you avoid foreclosure?
 - b. Have you ever heard this term before?
20. What does "deed-in-lieu of foreclosure" mean?
- a. How might this help you avoid foreclosure?
 - b. Have you ever heard this term before?
21. As you can see, the notice describes four different things that could happen (*point out four bullet points*). Why do you think it lists them as two different lists, rather than putting all four bullet points together? What is the difference between the first list and the second?
22. Imagine that you wanted to talk to someone other than the bank to discuss your options. What could you do?
- a. Is there any information in this notice about anyone that you could contact?
 - b. Who would you contact? Why? [*Note: If respondent says they would call everyone listed, ask who they would contact first and why.*]

False Close and Conclusion (15 minutes)

Interviewer will excuse herself and tell the participant that he or she is going to speak with the observers to see whether they have any follow-up questions. If observers have follow-up

questions or topics to revisit, the remainder of the interview should be spent addressing those questions or topics. At the conclusion of the interview, thank the participant for their assistance and lead them to the front desk.