

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:

Consumer Focus Groups Relating to Prepaid Products Rulemaking and Model Form Development

2. PURPOSE:

The Electronic Fund Transfer Act (EFTA) establishes the rights, liabilities, and responsibilities of participants in electronic fund transfer (EFT) systems, with the primary objective of providing individual consumer rights. The EFTA is implemented in Regulation E (12 CFR part 1005) by the Consumer Financial Protection Bureau (CFPB).

Prepaid financial products are one of the fastest growing payment instruments in the United States. Some consumers may use these products as an alternative to traditional checking or demand-deposit accounts. For example, consumers may reload funds onto a card through direct deposit of their paychecks or government benefits. Prepaid products do not, however, carry the same protections given to checking accounts and EFTs under federal law, because Regulation E has traditionally been interpreted not to apply to the products.

Given the growth in the market for prepaid financial products and the risk of consumer harm, the CFPB expects to propose to apply Regulation E to the products. The CFPB further expects that its proposal will include model disclosure forms that providers of prepaid products may use as the basis for the pre-purchase disclosures that they provide to consumers in the marketplace.

The CFPB seeks approval from the Office of Management and Budget (OMB) to conduct four ninety-minute focus groups of twelve participants each (48 participants total). The focus groups would be used to learn more about how consumers use prepaid products, how they make decisions about the purchase of prepaid products, and whether they feel they have the information necessary to make informed decisions about these products. The focus groups will also provide an opportunity to solicit participants' reaction to several fee disclosures that are currently used in the prepaid card marketplace.

The CFPB has retained ICF International to assist it with conducting these focus groups, as well as using the results of the groups to draft model disclosure forms for prepaid products. The CFPB and ICF International have drafted a Proposed Moderator Guide for the focus groups (Attachment A).

After the results of the focus groups are used to draft model disclosure forms, these forms will be tested and revised through three rounds of cognitive interviews with consumers. The CFPB will request OMB approval for these rounds of interviews through a separate submission.

3. DESCRIPTION OF RESPONDENTS:

ICF International will subcontract with a research facility, which will provide facilities for the focus groups as well as pre-screened participants. Participants will be qualified for the groups based on a number of criteria related to their use and purchase of prepaid and other financial products, as well as demographic criteria such as their age, ethnicity, education level, and gender. The respondent characteristics that will be sought from the research facility are described in the proposed Participant Screener for Prepaid Product Focus Groups (Attachment B). The goal of these screening criteria is to ensure that the participants are knowledgeable enough to provide meaningful information about the topics being discussed, and to ensure the inclusion of a variety of perspectives.

4. TYPE OF COLLECTION (Administration of the instrument):

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

- | | |
|---|---|
| <input type="checkbox"/> Web-based or other forms of Social Media | <input 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"/> Credit Card | <input checked="" type="checkbox"/> Pre-paid Cards |
| <input type="checkbox"/> Remittances | <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 research team will partner with a professional focus group facility to conduct recruitment. The facility will utilize a recruitment screener (Attachment B) and will be fully oriented to the project and the recruitment goals prior to beginning their work. The facility will screen participants from a pre-recruited

database of people who have indicated their interest in being involved in qualitative research studies.

The participation goals described in the recruitment screener are intended to ensure a mix of participants in terms of age, race/ethnicity, gender, and education. Because this research is qualitative and results will not be generalized to a larger population, proposed testing groups are not required to match a larger population distribution. With that said, the CFPB and ICF International believe that it is possible that consumers' knowledge, understanding, and attitudes about their prepaid product accounts may differ based on these demographic variables, and therefore seek to ensure the inclusion of a variety of perspectives in the groups.

6. PERSONALLY IDENTIFIABLE INFORMATION:

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

The CFPB expects that participant screening will have been conducted by the research facility contracted by ICF International to facilitate the testing well before the research facility has been approached by ICF International. In that regard, research facilities generally pre-screen a broad range of candidates for future use. In any event, ICF International and the CFPB will not have access to personally identifiable information regarding the test participants and will not seek it out. The CFPB similarly expects that distribution of incentive payments will be conducted by the subcontractor.

The proposed informed consent form for the focus groups (Attachment C) assures participants that participation is "[t]otally voluntary" and that:

- "We will not disclose personal information about you, except as described in this form, unless legally authorized or required by law to do so";
- "Your name will not be used in any written reports or presentations for this project"; and
- "audio and video recordings [of the focus groups] may be shared with the employees of the Consumer Financial Protection Bureau and authorized contractors who have a need for the information for official business purposes. All such persons are under obligation to protect the privacy of the information in the records."

The CFPB has specified in its contract with ICF International that ICF International, its employees, its subcontractors, and its subcontractors' employees will not disclose to any third party, or otherwise use, any information it obtains or prepares in the course of performance under the contract, including personally identifiable information, without first receiving written permission from the CFPB.

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

c. If Applicable, has a System of Records Notice been published?
 Yes No Not Applicable

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.

ICF International will provide an incentive payment of \$75 to each focus group participant, to compensate them for an estimated two-and-a-half hours of time (one-and-a-half hours in the focus group, plus an average of an hour in travel to and from the group). ICF International advises that \$75 is the minimum incentive the project can offer and still expect to recruit a demographically and geographically diverse group of consumer respondents. In that regard, ICF International has extensive experience recruiting for similar focus group studies, and advises that a \$75 to \$100 incentive payment is a standard best practice in the industry when recruiting a demographically diverse set of respondents for a 90-minute focus group. In preparing for this study the contractor has contacted several focus group research facilities in the Washington D.C. metropolitan area, and all have indicated that they would not be able to successfully recruit for the groups if the incentive were lower than \$75. If, for instance, the focus group facility for the Washington D.C. area is actually located in Bethesda, Maryland, a cross-section of inner-city and suburban participants would need to travel a considerable distance to reach the facilities.

8. BURDEN ESTIMATES:

Information Collection	Number of Respondents	Participation Time	Burden Hours
Participant Screener	180	5 minutes	15
Focus Group	48	90 minutes	72
Totals		////////////////////	87

9. FEDERAL COST:

The cost to the CFPB for the portion of its contract with ICF International that relates to the proposed focus group testing is \$34,603. There are no additional costs to the Federal Government.

10. CERTIFICATION:

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

- The collection is voluntary.
- The collection is low-burden for respondents and low-cost for the Federal Government.
- The collection is non-controversial and does not raise issues of concern to other federal agencies.
- The results are not intended to be disseminated to the public.
- Information gathered will not be used for the purpose of substantially informing influential policy decisions.
- The collection is targeted to the solicitation of opinions from respondents and is limited to information that is qualitative and formative in nature.
- The results will not be used to measure regulatory compliance or for program evaluation.