

**CONSUMER FINANCIAL PROTECTION BUREAU
INFORMATION COLLECTION REQUEST – SUPPORTING STATEMENT
CREDIT CARD AGREEMENT TESTING SURVEY
(OMB CONTROL NUMBER: 3170-XXXX)**

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

1. Respondent Universe and Selection Methods

Each customer whose application for the Travel Rewards American Express credit card is approved by Pentagon Federal during the survey period will be called and given the opportunity to participate in the survey. The survey will run until 500 cardholders (250 who received the existing agreement and 250 who received the shortened pilot) have agreed to participate in the survey. Respondents will consist solely of individual persons seeking personal credit cards and will not include any commercial or business card accounts.

Based on experience conducting phone surveys of their membership in the past, Pentagon Federal anticipates a 50% response rate. To survey 500 of its customers, Pentagon Federal estimates that it will call 1,000 cardholders, and 500 will decline to participate. Pentagon Federal has found that its membership is highly responsive to this type of request and that additional measures to encourage a high-response rate are unnecessary. Correspondence will not be used to boost response rates. During each call, the survey administrator will offer to call at another time if more convenient for the respondent.

2. Information Collection Procedures

Upon approving an application for a new Travel Rewards American Express credit card or reissuing an existing card, Pentagon Federal will mail card origination materials to the customer. In these materials, the consumer will receive either of the following: 1) Pentagon Federal's existing, long-form agreement, or 2) the simplified agreement that has been jointly developed by Pentagon Federal and the CFPB.

Pentagon Federal will administer the survey to each of its members that opens or renews a Travel Rewards American Express credit card during the survey period. Due to operational limitations at Pentagon Federal's fulfillment processing provider, the organization can only actively distribute one agreement at a time. As a result, the test group that receives the treatment (simplified agreement) will be selected based on the timing of when they apply for the card.

Pentagon Federal is currently sending the test agreement to new and renewing cardholders, and will continue doing so until 250 customers agree to participate in the survey.¹ The control group will consist of customers who apply for the card in the months following the test; Pentagon Federal will continue distributing the control agreement until at least until 250 customers agree to participate. The Bureau does not anticipate that the likelihood of participating will differ

¹ Respondents are counted as having agreed to participate when they answer "Yes" to survey question C1. Any participant who indicates that they do not recall receiving the agreement and do not intend to activate the credit card will not be counted as a respondent. The survey is included as Attachment A.

systematically based on which agreement the customer received, and participants in each group will be selected and interviewed at roughly the same interval following their receipt of the agreement.

Approximately two weeks after receiving the credit card agreement, the customer will receive a telephone call inviting the customer to participate in a survey. At this point, the customer will have the option to complete the survey, schedule a call for another time, or decline to participate in the survey. For customers who agree to participate in the survey, the caller will proceed through the questionnaire (included as Attachment A).

Pentagon Federal's survey administrator will contact customers approximately 2 weeks after receipt of the agreement. Respondents who do not pick up will be called until 4 weeks after receipt of the agreement, at which point the survey administrator will move on to a new case. The survey administrator will attempt to contact customers a maximum of 3 times before moving on to the next case. To increase the likelihood of response, the survey administrator will vary the day of the week and time of day for each call.

Once the survey has been completed, the survey administrator will compile the survey responses, remove all PII and any other information that may pose a disclosure risk, and transmit the data to Pentagon Federal and the CFPB. As stated above, the survey results are not meant to be, and will not be treated as, a sample that is statistically generalizable to the overall American population.

3. Methods to Maximize Response Rates and Address Issues of Non-Response

Pentagon Federal has found that its membership is highly responsive to this type of request and that additional measures to encourage a high-response rate are unnecessary. To ensure that the respondent is being called at a convenient time, call center employees will offer to call all respondents at another time.

This test will not be treated as statistically generalizable data. Information gathered will be used only to inform Pentagon Federal's commercial uses for its shortened agreement and the CFPB's future simplified agreement efforts. The outcome of this research will help the CFPB decide whether to continue to dedicate resources to pursuing a shorter credit card agreement.

4. Testing of Procedures or Methods

After receiving the questionnaire from Pentagon Federal, Dr. Morgan will run mock surveys with less than 10 Culverhouse College call center employees who are unfamiliar with the project. During these mock calls, Dr. Morgan's team will verify that the survey takes approximately 15 minutes to administer and that all questions are worded clearly.

5. Contact Information for Statistical Aspects of the Design

Telephone surveys will be conducted by Dr. Robert Morgan, whose contact information is below.

Dr. Robert Morgan
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University of Alabama
(205) 348-9557

Administrative questions regarding the CFPB use of this clearance should be directed to:

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Consumer Financial Protection Bureau
(202) 435-7118