

Attachment A

Cardholder Agreement Survey Phone Questionnaire

Goals of the Survey are to find out:

- 1) Are consumers likely to read the agreement?
- 2) Are consumers likely to understand what they read?
- 3) Are consumers likely to find the information they receive meaningful and useful?

A. Intro

Hello, my name is [___] and I'm calling from Pentagon Federal Credit Union. Can I speak with [customer name]?

Hello [customer name], my name is [___] and I am calling from Pentagon Federal Credit Union. We're conducting a survey to learn more about our customers' use of our Cardholder Agreement. We're partnering with the Consumer Financial Protection Bureau to learn how credit card terms can best be presented to consumers.

This survey is being conducted through the joint efforts of PenFed and the Consumer Financial Protection Bureau (CFPB). The information that you provide will permit the CFPB to receive feedback on its efforts to simplify credit card agreements and make them more understandable. As required by federal law, the Office of Management of Budget has approved these questions under the Paperwork Reduction Act. The OMB control number for this collection is 3170-XXXX.

Also, a federal law called the Privacy Act directs how the federal government treats the information contained in your answers to these questions. To understand how and when your information may be shared, you can read the Privacy Act Statement on the CFPB's website at www.consumerfinance.gov. We anticipate this survey taking about 15 minutes of your time.

Is this a convenient time for you?

IF YES: [continue]

IF NO: When would be a good time for me to call back? [record callback date and time, thank and terminate]

OK, let's get started. Are you the person responsible for your PenFed Premium Travel Rewards American Express credit card?

IF YES: [continue]

IF NO: Can I speak with the person that is?

IF YES: Thank you. [Wait for them, reread A and then continue]

IF NO: When would be a good time for me to call back to speak with them? [record callback date and time, thank and terminate].

Before we proceed, I need to make sure I've dialed correctly, is this your phone number []?

I assure you that all your answers will be kept completely anonymous and confidential and that no sales calls are made as a result of participation. Your participation is voluntary, and if there are any questions you feel you can't answer, please let me know. Now, if I have your permission, I'll begin.

B. Experience with Credit Cards

1. How many years ago did you get your first credit card?
2. Would you say that you almost always, sometimes or hardly ever pay the full balance at the end of the month?
3. Did you comparison shop before choosing to open your PenFed credit card?
4. If you have a problem with your card, what would you do? *[Example of problems: adding an authorized user, card is declined, unknown charge or fee]*
 - a. Call customer service / contact PenFed
 - b. Consult your cardholder agreement
 - c. Consult PenFed's website
 - d. Seek information elsewhere (internet, financial information sources)
 - e. Do something else? What?

C. Experience with PenFed Agreement

1. Do you recall receiving the Cardholder Agreement with your PenFed Premium Travel Rewards American Express credit card?
 - a. *For respondents who received the short-form agreement:* The Cardholder Agreement has the PenFed logo at the top left hand corner of the first page. Underneath that logo, the first sentence reads "This is your account agreement for your PenFed Premium Travel Rewards American Express card."
 - b. *For respondents who received the long-form agreement:* The Cardholder Agreement has a black box across the top of the first page with the following white text "Important: please read and retain for your records." The phrase "Cardholder Agreement and Disclosure Statement" is underneath that box.
 - i. *IF YES: [continue]*
 - ii. *IF NO: Have you activated this card?*
 1. *IF YES: [Proceed to D]*
 2. *IF NO: Do you plan to activate this card?*
 - a. *If YES:[Proceed to D]*
 - b. *IF NO: [Proceed to Outro]*
2. Which of the following best describes your review of the Cardholder Agreement?
 - a. Didn't even look at it
 - b. Saw it but didn't read it;
 - c. Looked for specific information;
 - d. Skimmed it for general information; or
 - e. Read it in full
 - i. *IF a or b: [Proceed to D]*
 - ii. *IF c:* In minutes, approximately how long do you think you spent reviewing the Cardholder Agreement? *[Proceed to E]*

- iii. *IF d or e*: In minutes, approximately how long do you think you spent reviewing the Cardholder Agreement?
 1. What do you recall about the contents of the Cardholder Agreement? Did any terms or aspects stand out to you? [*Proceed to F*]

D. Questions for those that didn't read the agreement

1. Do you normally read Cardholder Agreements? [*Do not ask if respondent indicated this is their first credit card in Section B*]
 - a. *IF NO*: Why not? [*Encourage them to elaborate on their answer*]
 - b. *IF YES*: Why not this time?
2. If you have a problem with your card, would you
 - a. Call customer service / contact PenFed
 - b. Consult your cardholder agreement
 - c. Consult PenFed's website
 - d. Seek information elsewhere (internet, financial information sources)
3. If you have a problem with your card, do you look for information on your credit card terms from sources other than the paper Cardholder Agreement?
 - a. *IF NO*: [*Proceed to H*]
 - b. *IF YES*:
 - i) Which sources did you use?
 - ii) Which terms or aspects of your agreement did you consider?
4. Did you keep the agreement?

[*Proceed to G*]

E. Questions for those looking for specific information

1. What specific information were you looking for?
2. Why did you look for specific information rather than reading the Cardholder Agreement in full?
3. What do you recall about the other contents of the Cardholder Agreement? Did anything else stand out to you?

[*Proceed to F*]

F. Affective Questions

1. The layout of this agreement makes it easy for me to find the content of the agreement.
 - a. Agree
 - b. Neither agree nor disagree
 - c. Disagree
2. The layout of this agreement makes it easy for me to understand the content of the agreement.
 - a. Agree
 - b. Neither agree nor disagree
 - c. Disagree
3. Was there any information that you wished was easier to find?
4. Was there any information that you wished was explained better?
5. Did you review the agreement multiple times, or just once?
6. Did you benefit from reading the agreement before using the card?

- a. *IF the person implies that they got little to no benefit:* Did you only read the agreement because you felt like you “should”?
- 7. When reading the agreement, which best describes how you felt?
 - a. Confident that I understood the agreement as a whole
 - b. Comfortable with most of the agreement
 - c. Confused by most of the agreement
 - d. Overwhelmed by the agreement as a whole
- 8. Can you elaborate on why you felt that way?
- 9. Did you keep the agreement?

G. Questions about the terms of the agreement

Now I’m going to ask you about some of the specific terms of your credit card. It’s ok if you can’t recall some of the specifics. [Interviewers should not disclose the bracketed information in items 1-6 unless specifically asked by the customer]

- 1. What is the interest rate on purchases? [*9.99% APR*]
- 2. Does the card have a fixed or variable interest rate? [*Variable*]
- 3. Does the card have an annual fee? [*No*]
- 4. If you don’t pay at least the minimum payment by the due date, what are the consequences?
 - a. *IF they answer: “I get charged a late payment fee” then ask:* What is the maximum late payment fee? [*\$25*]
- 5. Does PenFed need to give advance notice for increasing or decreasing your credit limit? [*No*]

[For respondents who received the short-form agreement, proceed to H]

[For respondents who received the long-form agreement, proceed to I]

H. Incorporation of Definitions

In your Cardholder Agreement, several terms are underlined. This signifies that the definition for that term can be found in a separate definitions document that can be accessed online at PenFed’s website. I’m going to ask you a few questions about that definitions document.

- 1. Were you aware of the existence of this separate definitions document prior to being asked this question?
- 2. [if Yes]: Do you have Internet access?
 - a. [*IF Yes*]: Did you go to PenFed’s website to access the definitions document?
 - b. [*If No*]: Did you call PenFed to request a copy of the definitions document?
 - i. [*IF respondent answers 1.a or 1.b Yes, proceed to question H.2*]
 - ii. [*IF respondent answers 1.a or 1.b No, proceed to section I*]
- 3. Did you find the definitions easy to understand? Please elaborate on your answer.

I. Outro

Finally, what can Pentagon Federal Credit Union do to make the credit card agreement more useful to you?

On behalf of Pentagon Federal Credit Union, thank you for your time. It’s been a pleasure speaking with you, and I know that PenFed looks forward to serving you in the future. Goodbye.