

Request for Approval under the “GENERIC CLEARANCE FOR QUALITATIVE CONSUMER EDUCATION, ENGAGEMENT, AND EXPERIENCE INFORMATION COLLECTIONS”

(OMB Control Number: 3170-0036)

1. TITLE OF INFORMATION COLLECTION: Student Loan Repayment Focus Groups/Interviews

2. PURPOSE: Conduct focus groups and individual interviews with adult consumers, who currently have federal and/or private student loans in repayment, to develop an understanding of borrower knowledge of and experiences with student loan repayment and servicing to inform the development and improvement of CFPB tools and resources to assist student loan borrowers.

3. DESCRIPTION OF RESPONDENTS: Adult consumers (20 years of age and older) with one or more private/federal student loans in repayment or default.

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

b. Will interviewers or facilitators be used?

Yes No Not Applicable

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?

Fors Marsh Group developed a screener intended to ensure that only the intended sample of consumers with student loans will be included in the data collection. The screener will ask

about demographic characteristics, so that recruiters can ensure that participants feature a mix of age, gender, race and ethnicity.

Recruiting will be conducted locally by a focus group facility in each city. In Arlington, VA recruiting will be conducted by FMG staff. For the Chicago and New York locations, facilities will be identified by CFPB and FMG to recruit participants on behalf of the CFPB. Arlington will be first location for data collection; the order for the second and third data collection location will be determined as specific facilities are identified.

6. INFORMATION COLLECTION PROCEDURES

Please summarize the procedures that will be used to collect data from respondents.

Demographic information will be collected from respondents via the screeners guide during the recruitment phase via a web-based recruitment screener. Respondents will be asked a random selection of questions via the discussion guides for the focus groups and individual interviews during the testing phase.

7. 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
- c. **If Applicable, has a System or Records Notice (SORN) been published?**
 Yes No Not Applicable
If yes, cite the SORN. Title CFPB.021Consumer Education and Engagement Records
SORN 79 FR 78839.
- d. **If applicable, what is the link the Privacy Impact Assessment (PIA)?**

http://files.consumerfinance.gov/f/201409_cfpb_consumer-education_pia.pdf

8. 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.**

While sessions will last 60-90 minutes, participants are required to arrive 10 minutes early to sign in, and to ensure sessions begin as scheduled. Upon completion of the session, participants are required to sign out and receive their incentive. Thus, they are in the office for a total of 75-120 minutes. Further, many participants have to travel 30-60 minutes to and from the facility. In our experience, a \$75 incentive for a 60-90 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.

When considering the potential estimated time and cost of participating in this test, such costs as childcare, transportation, and potential lost wages could result in a high no show rate. For example, a conservatively estimated childcare cost of \$25, transportation cost \$35, and potential lost wages of \$18 amounts to an estimated \$78 cost of participation. The basis for our participant cost analysis is outlined below:

Summary of Estimated Participant Costs

- Child Care: \$25 (\$10 per hour / per child with up to 1 hour commuting + 1.5 hours at test site = 2.5 hours of child care)
- Transportation: \$35 (2015 Federal mileage rate of 57.5 cents per mile @ an average of 60 miles).
- Lost Wages: \$18 (Federal minimum wage of \$7.25 per hour x (1 hour commuting + 1.5 hours at test site) = 2.5 hours of potential lost wages)

Total: \$78 (Estimated participant cost)

Child Care: We found that nationally the babysitting rate is typically around \$8 - \$12 per hour with an average of \$10 per hour. While some participants will have multiple children who will require childcare, others will have none. Therefore, we are taking a conservative estimate of only one child.

Transportation: We used the IRS mileage rate of 57.5 cents per mile with a potential of 60 miles of travel.

Lost Wages: We have no specific data on the hourly wage of potential participants; therefore, in order to estimate the potential lost wages of participants, we took a very conservative approach and based this estimate on the Federal minimum wage.

In summary, given the difficulties of recruiting the desired population and the potential costs of participation, we believe that \$75 is the minimum incentive necessary to recruit and retain the desired test population. There is also a concern that if the incentive is not attractive enough to participants, there may be a high no show rate and the test would need to be redone in order to obtain quality results. Redoing the test would be much costlier than an effective incentive. For example, at the \$75 incentive level, total incentives would be \$1,125 (15 participants x \$75) verses a test redo at a cost of approximately \$40,000.

9. ASSURANCES OF CONFIDENTIALITY:

- a. Will a pledge of confidentiality be made to respondents? [] Yes [x] No
- b. If Yes, please cite the statute, regulation, or contractual terms supporting the pledge.

10. JUSTIFICATION OF SENSITIVE QUESTIONS (if applicable): N/A

11. BURDEN HOURS:

| Category of Respondent | Number of Respondents | Frequency | Number of Responses | Response Time (hours) | Burden (hours) |
|-------------------------------|------------------------------|------------------|----------------------------|------------------------------|-----------------------|
| Web-based Screener | 100 | 1 | 100 | .08 | 8 |
| Phone-based Screener | 70 | 1 | 70 | .05 | 4 |
| Focus Groups | 63 | 1 | 63 | 1 | 63 |
| Individual Interviews | 15 | 1 | 15 | 1 | 15 |
| Totals | 100* | ////////// | 248 | ////////// | 90 |

*Note: Respondents to the phones screener, focus groups, and individual interviews are a subset of those who respondent to the web-based screener.

12. FEDERAL COST: The estimated annual cost to the Federal government is \$ 73,922.

13. CERTIFICATION:

CERTIFICATION 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;
- (h) It uses effective and efficient statistical survey methodology; and
- (i) It makes appropriate use of information technology.

CERTIFICATION FOR INFORMATION COLLECTIONS SUBMITTED UNDER A GENERIC INFORMATION COLLECTION PLAN

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

- The collection is voluntary.
- The collection is low-burden for respondents.
- The collection is non-controversial and does not raise issues of concern to other federal agencies.
- Information gathered will not be used for the purpose of substantially informing influential policy decisions.
- The collection is not statistically significant; the results are not intended to be generalizable beyond the survey population.
- The results will not be used to measure regulatory compliance or for program evaluation.