

CONSUMER FINANCIAL PROTECTION BUREAU
INFORMATION COLLECTION REQUEST – SUPPORTING STATEMENT
Financial Coaching Program for Veterans and Low-income Consumers
(OMB CONTROL NUMBER: 3170-XXXX)

TERMS OF CLEARANCE: Not applicable. This is a request for a new collection of information.

ABSTRACT: Beginning in early 2015, the Consumer Financial Protection Bureau (“CFPB” or the “Bureau”) will launch a Financial Coaching project to provide direct financial coaching services to transitioning veterans and economically vulnerable consumers nationwide. Over three years, it is estimated that ten thousands of consumers will be served. In order for CFPB to understand whether the program is effective and for the financial coaches to be able to deliver efficient services and track clients over time, CFPB will need to take steps to monitor program performance and to evaluate the program. This will ultimately include a process evaluation to examine program implementation and an outcomes evaluation to examine program effects on clients. Performance monitoring and the process and outcome evaluations will involve three key data collection efforts: *administrative data* collected about clients by financial coaches for programmatic purposes; *interview data* collected by evaluators from key informants such as coaching clients, financial coaches and program administrators; and self-reported *survey data* from coaches and coaching clients. The information to be collected from clients will include a combination of personal information (basic contact and demographic information), performance metrics (outputs), client-level outcomes (progress towards financial goals or other relevant outcomes) and programmatic and organizational outcomes. The current information collection request is specifically for the administrative data that will be collected by coaches from financial coaching clients for programmatic and performance monitoring purposes. Additional requests will be submitted at a later date for the process and outcomes components of the evaluation.

A. JUSTIFICATION

1. Circumstances Necessitating the Data Collection

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), Pub. L. 111-203, established the CFPB to regulate the offering and provision of consumer products or services under federal consumer financial laws. Consistent with the purposes of the Dodd-Frank Act, the CFPB’s mission includes establishing and enforcing clear, consistent rules for the financial marketplace; protecting American families from unfair financial practices; and developing and implementing a strategy to improve the financial literacy of consumers. For additional background on the CFPB, please see <http://www.consumerfinance.gov/the-bureau/>.

Section 1017(d)(1) of the Dodd-Frank Act establishes a separate fund in the Federal Reserve, the Consumer Financial Civil Penalty Fund (“Civil Penalty Fund” or “Fund”), into which the Bureau must deposit civil penalties it collects from any person in any judicial or administrative action under Federal consumer financial laws. 12 U.S.C. 5497(d)(1). Under the Act, amounts in the

Fund may be used “for payments to the victims of activities for which civil penalties have been imposed under the Federal consumer financial laws.” 12 U.S.C. 5497(d)(2). In addition, “[to] the extent that such victims cannot be located or such payments are otherwise not practicable,” the Bureau may use amounts in the Fund for the purpose of consumer education and financial literacy programs.

This program represents the first consumer education program funded by the Civil Penalty Fund. Because of the scope and size of the program, it is crucial that CFPB collect data on the beneficiaries of the financial coaching services in order to understand if the services are working well and how they might be improved upon.

Additionally, the goals of this project are in line with the individual office mandates of both the Office of Servicemember Affairs and the Office of Financial Empowerment. The Dodd-Frank Act assigns the CFPB’s Office of Servicemember Affairs the responsibility to educate and empower servicemembers and their families to make better informed decisions regarding consumer financial products and services. Similarly, the CFPB’s Office of Financial Empowerment seeks to meet the Bureau’s statutory mandate to “provid[e] information, guidance, and technical assistance regarding the offering and provision of consumer financial products and services to traditionally underserved consumers and communities.”¹

New data collection is necessary to help the CFPB and its stakeholders understand whether the program is effective and efficient, and also to gain insights into how the program can be improved.

2. Use of the Information

The information to be collected will include a combination of client personal information (i.e., basic contact and demographic information), performance metrics (outputs), client-level outcomes related to financial goals, as well as other relevant organization-level outcomes.

The coaches will likely be working with the clients over multiple sessions and their information will be collected and housed in a client management system. In addition to personal information intended for client management and follow-up, the coaches will also be required to document high level information about the client’s financial goals and progress made towards those goals. The coaches will also use the client data management system to capture the reasons why clients are working with the coach in the first place (for example, to reduce debt), and progress made towards those goals. Capturing the outcomes from coaching sessions will help CFPB determine if the sessions, the coach, and program overall are effective in helping clients achieve their financial goals. CFPB will be able to identify and learn from information that is gleaned from the success of clients and coaches. For example, if one site or coach is particularly effective in working with clients, the other coaches could learn from this site or person’s processes or techniques.

¹ 12 U.S.C. § 5493.

Common client outcome measures such as income, savings, debt, and credit, will be collected, based on the stated goals identified by individual clients. In addition, a set of standard outcome measures will be collected from clients across all coaching sites, as well as outcomes that vary by site and by the types of populations being served. These site-specific outcomes will be based on the existing programs' service delivery needs and existing systems and/or processes for collecting and tracking outcomes.

Finally, beyond client outcomes, CFPB will collect additional information (e.g., from coaches, the delivery organizations/agencies, etc.) to contribute to its knowledge and understanding of what has been effective and how to improve the program moving forward. By understanding the macro-level needs of the clients and coaches, the program can, for example, adjust and respond to training needs that coaches may have in response to issues that the clients are presenting. The bulk of the administrative information collected would be at the time of intake and captured in the client management system. Each time the client meets with the coach, the coach will document relevant information towards goal accomplishment. At a later date, there will also be follow-up interviews and surveys to capture outcomes data from non-veteran segments of the clients being served. These interviews and surveys will fall under a separate OMB data collection request specifically for the follow-up survey and process study components of the program evaluation. Veteran clients will receive the same services under this initiative as the economically vulnerable consumers, however they will not be included in any further outcome or impact studies related to this project.

The client-level raw data will not be shared outside of CFPB (and its contractors and subcontractors collecting and analyzing the data). Directly-identifying information (e.g., respondent names) will not be made available to CFPB. CFPB may, however, choose to release de-identified results and aggregated analyses of those results (such as trends in financial issues) in public reports it will issue. Those results would be reported in a way that could not reasonably identify any respondent. Veteran-specific data will not be released to the public.

3. Use of Information Technology

Although the administrative data will be collected through conversations that coaches have with their clients, they will be using an electronic client management system to document and report standardized information about the clients as well as progress towards their goals. While some interaction between coaches and clients may occur by phone or email, the majority of conversations between coaches and clients will likely occur in person.

More information on data collection and use of technology for the outcomes survey will be provided when separate OMB requests for the follow-up survey and process study components of the evaluation are submitted.

4. Efforts to Identify Duplication

This information collection would be related to a new CFPB program, therefore, there are no concerns about duplication.

5. Efforts to Minimize Burdens on Small Entities

CFPB does not anticipate any small businesses being impacted by this collection of information. The burden is on clients requesting the financial coaching service.

6. Consequences of Less Frequent Collection and Obstacles to Burden Reduction

If the collection is not conducted, CFPB would not be able to know how the program is performing, nor would it know how to improve the program moving forward.

7. Circumstances Requiring Special Information Collection

There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Consultation Outside the Agency

In accordance with 5 CFR 1320.8(d)(1), the Bureau has published a notice in the Federal Register allowing the public 60 days to comment on these proposed new collections of information. Further and in accordance with 5 CFR 1320.5(a)(1)(iv), the Bureau has published a notice in the *Federal Register* allowing the public 30 days to comment on the submission of this information collection request to the Office of Management and Budget. While we are requesting comment on the full package, at this time, the Bureau is only seeking approval for the information collected in association with the client intake process and client management process system. The follow-up and process evaluation will be submitted to OMB at a later date and will be announced in *Federal Register* with an opportunity for public comment.

The Bureau engaged in extensive consultation with people outside the Bureau on the design of the coaching program, to include the information collection component.

In the process of developing the procurement for the financial coaching program for transitioning veterans and economically vulnerable consumers, the Bureau:

- 1) Released a public request for information (RFI) in April 2013 to solicit feedback from organizations, potential vendors, and experts. This was sent out to over 2,000 stakeholders working with military and low-income consumers. We received comments from 50 different organizations and individuals, including organizations serving these respective populations, experts in financial coaching, financial counselors, and others.
- 2) Held a pre-solicitation conference in Washington, DC with webcasting (August 2013) after the release of a draft solicitation. That conference was widely attended by vendors and groups with an interest in veterans and other issues. Potential vendors were invited to submit questions before and during the conference, and the Bureau received and addressed over 200 questions.

3) Conducted general outreach to learn more about the coaching approach and understand the best way to deliver services to the respective populations. Specifically, CFPB held meetings with more than two dozen experts and leaders from organizations (including non-profit, for-profit, and government) providing services to the respective consumer groups. CFPB has also conducted site visits to existing financial coaching programs and attended coaching trainings.

The 60-day notice in the Federal Register received two comments. The comments were reviewed, and this information collection request was adjusted where appropriate. Both comments provided feedback on the overall program model and goals. CFPB is considering this feedback as part of the program design and implementation process. The two comments are addressed below as they pertain to the information that will be collected as part of the client intake and case management processes.

Comment 1. The comment is from an organization that supports homeowners in or at risk of financial distress. The commenter notes the unique financial circumstances and educational needs of veterans and how they may differ from those of economically vulnerable consumers, and emphasizes the specific need for mortgage education as part of the coaching program curriculum for veterans.

CFPB agrees that veterans may have unique financial coaching needs. The coaching curriculum anticipates a wide range of potential financial goals and concerns for both economically vulnerable and transitioning veteran consumers—including the possibility of very diverse goals related to homeownership, mortgage or housing costs. We expect that financial characteristics and goals will vary widely by coaching site, by population, and by individual clients. The expected diversity of goals and client characteristics is reflected in the wide range of information that will be discussed and collected related to client background, financial characteristics (savings, debt, credit) and financial goals. Coaches will gather specific information about homeownership, mortgage, or housing-related goals. This information will allow coaches to help clients achieve their goals and to provide access to services or information related to their specific goals—including mortgage counseling. As appropriate, coaches will refer clients to additional supports related to their financial goals, including supports around homeownership or mortgage education.

Comment 2. The comment is from an organization that works with municipal governments to improve financial stability among low and moderate income households—including through financial coaching programs. The commenter emphasizes the importance of data for program decision making, and of a robust, transparent and standardized data collection system and protocols. The commenter also recommends specific data points and measures as examples of performance monitoring and outcome measures to be collected and monitored.

CFPB agrees with the commenter, and has included several of the same or similar measures in the administrative information that will be collected through the client intake and case management system. These include key demographics for all clients served, data allowing CFPB to track the numbers of clients served by site and in total, self-reported information on client

credit, savings, assets, and achievement of self-identified financial milestones.

The commenter also suggested several specific measures and processes for capturing the impact of coaching services on financial outcomes (changes in debt, savings accumulated, changes in credit score). While some of the information to track client outcomes and progress towards goals will be collected by coaches from clients through program administrative data, additional information related to program impacts will be collected from a sample of economically vulnerable consumers during the follow-up client survey and process study components of the evaluation. As noted, CFPB will submit separate OMB requests for the process and outcomes components of the program evaluation. studies.

Finally, commenter #2 suggested that CFPB's estimate of the total number of hours necessary for data collection was low, given the need for detailed data and rigorous performance monitoring. We have adjusted our expectations for data collection to reflect a higher burden (shown in Exhibit 1, below). Data collection burden estimates are based on feedback from existing coaching programs that follow a similar service delivery model. Not all data collection items will be relevant to all clients, and the specific number of questions that will be asked on any given client will vary based on their specific financial goals and background. In addition, only a subset of clients will be included in the follow-up process and impact components of the evaluation, and will experience a higher data collection burden, which will be described in detail in subsequent OMB requests. However, the anticipated burden for this subset of clients is included in Exhibit 1 in order to provide a more comprehensive estimate of the total data collection burden for the project.

The comments are available on the Federal government's on-line comment docket at <http://www.gpo.gov/fdsys/pkg/FR-2014-09-04/pdf/2014-21112.pdf>.

9. Payments or Gifts to Respondents

No payments or gifts will be provided to respondents for the collection of the administrative data described in this request. Appropriate incentives will be provided for the sample of coaching clients who complete an interview and/or survey under the impact and process evaluation portions of the project, as will be described in detail in additional data collection requests.

10. Assurances of Confidentiality

The standard confidentiality provisions of the programs of the sponsoring institutions will apply. Data will be treated in a private manner, and directly-identifying information (e.g., respondent names) will not be made available to CFPB. A privacy notice will be included in a brochure that all participants will receive at the point they first agree to participate in this program. Further, any resulting reports on the program will consist only of de-identified results and aggregated analyses of those results that will be reported in a way that could not reasonably identify any respondent.

CFPB and the service delivery and evaluation teams are committed to securely collecting and

using the private information collected under this evaluation. The evaluation procedures will be reviewed by the evaluation partner's Institutional Review Board (IRB), which reviews proposed collections of potentially sensitive or private data and associated data security measures.² To receive IRB approval for a study, the data collection effort must adhere to the following principles:

- All program participants will be informed of their rights under the Privacy Act of 1974 before collecting administrative data.
- Adequate provision is made to protect the privacy of subjects and to maintain the privacy of data that are collected, where promised and as appropriate.
- Risks to subjects from the research are reasonable in relation to anticipated benefits, and are minimized to the extent possible.
- The selection of research subjects is as equitable as possible (the burdens and benefits of the research are fairly distributed), with particular attention paid to research involving vulnerable populations and protected health information.

As noted, veteran clients will receive the same services under this initiative, however they will not be included in any further outcome or impact studies related to this project.

Reports produced under this evaluation will never identify individual respondents by name or with directly-identifying personally identifiable information from the key informant interviews. Additionally, other personal information, such as outcomes survey or program administrative data, such as date of birth, will not be included in reports produced. For all report and presentation purposes (e.g. draft reports, final reports, and any presentations of the report findings), primary data that are collected for the evaluation will be aggregated to a level at which the individual identities of those who provided the information could not reasonably be discerned.

No directly-identifying personally identifiable information will be shared with anyone outside of the research team or at CFPB. Only designated program evaluators who need the information for research purposes and who have signed a "Data Privacy Pledge" will have access to client information. The Data Privacy Pledge is a document which stipulates the data security and privacy procedures which must be followed by all those participating in the evaluation. All evaluation staff and consultants will sign this pledge prior to beginning evaluation activities. Hard-copy materials containing direct-identifying PII will be locked up when not in use, and electronic materials will be stored on a secured server in password-protected computers and/or encrypted.

² The evaluation partner's IRB requires that the project's data security measures ensure that: (1) Access to private data will be limited to research team members who need access for evaluation purposes and who have agreed in writing to maintain the privacy of all data. (2) Adequate precautions will be taken to ensure administrative and physical security of personally identifiable information. (3) Project findings and reports prepared for dissemination will not contain information that could reasonably be used to identify an individual. (4) Both electronic files and hard copy data materials will be stored securely. (5) To protect the privacy of research subjects, the data files submitted to CFPB will be "sanitized" to remove any information that could be used to identify a particular individual. (6) All hard copy data files and materials containing personal identifiers will be destroyed within six months of project completion.

The Consumer Education Privacy Impact Assessment (“[PIA](#)”) addresses the collection and use of PII related to this project.³

11. Justification for Sensitive Questions

The coaches will be collecting Personally Identifiable Information (PII). Coaches will collect direct-identifying PII including name and basic contact information to facilitate participation in the counseling program. Additionally, coaches will collect demographic data and respondent data (goals, challenges, outcomes information provided by participants as outlined below) as part of program evaluation efforts. Social Security Numbers (SSNs) will not be collected as a part of the administrative data collection process, and clients will not be required to provide SSNs in order to participate in the program. Instead, an alternative unique identification number will be developed to track coaching clients and service delivery.

For the follow-up survey portion of the evaluation, coaches will collect other directly identifying information for a subset of the non-Veteran clients who choose to participate. More information on this process and selection of the subset of economically vulnerable consumers will be provided in subsequent OMB requests for data collection.

CFPB has a System of Records Notice (SORN), CFPB.021 – Consumer Education and Engagement Records (FR 77 FR 60382) in place which is currently being updated to account for the collection, use, disclosure, and destruction of PII as it relates to this project. This SORN will be published by the end of December 2014.

The project will collect and analyze response data provided by participants when coaches ask questions related to personal financial behavior, such as amount of savings, amount of debt, spending behavior and other personal financial information if applicable to the client’s goals. Such response data may include sensitive information or be considered, when combined with other data, to be personally identifiable. Such data will be stripped of direct identifying PII for analysis purposes. Analysis will include (for example) assessing financial goals, outcomes and financial behavior relating to participation in the financial coaching program. Because of the individual nature of the program, the vendor, on CFPB’s behalf, will need to collect the sensitive information at the individual level for certain aspects of the program (such as intake for the client management system). However, as noted, where data is being reported, aggregate data stripped of direct identifiers will be reported wherever possible.

12. Estimated Burden of Information Collection

In Exhibits 1 and 2, we provide estimates of the collection burden on program participants. The project team anticipates a total of 10,000 clients enrolled in coaching services throughout this program. All clients will be walked through their rights under the Privacy Act, and if the client is asked to complete a brief series of questions for the Client Information System to provide

³ The Consumer Education PIA can be found at http://files.consumerfinance.gov/f/201409_cfpb_consumer-education_pia.pdf.

information for further research, they will also be asked to sign an intake/consent form.

Using the Bureau of Labor and Statistics Occupational Employment Statistics (OES) survey 37th percentile we estimate an average hourly wage for coaching clients (economically vulnerable and returning veteran) of \$13.76. We then multiply this figure by the number of burden hours for each of these activities, which generates estimates of the total annual cost burden.

In addition to these data collection efforts, financial coaches will record information about clients during the course of their meetings (e.g. meeting goal, length, date, etc.) that also will be entered into the Client Management System. The evaluation will make use of these already collected program/administrative data, and as they do not represent new data collection from coaching clients, they are not included in the burden calculations below.

Not all data collection items will be relevant to all clients, and the specific number of questions that will be asked on any given client will vary based on their specific financial goals and background. The time burdens in Exhibit 1 reflect an average estimate for each client. In addition, only a subset of clients will be included in the follow-up process and impact components of the evaluation and will experience a higher data collection burden. This additional data collection effort and burden will be described in detail in subsequent OMB requests and the respective instruments will be submitted to OMB review at that time. The anticipated burden for this subset of clients are included in the Exhibits in order to provide a more comprehensive estimate of the total data collection burden for the project.

EXHIBIT 1. ESTIMATE OF ANNUALIZED TIME BURDEN TO RESPONDENTS

	Number of Respondents	Number of Responses Per Respondent	Total Annual Responses	Average Burden per Response (in hours)	Total Annual Burden Hours
Client Information for the Client Management System (including intake and Privacy Act statement)**	10,000	1	10,000	.50	5,000
Process evaluation interview questions	50	1	50	.75	38
Follow-up outcome survey	1,000	1	800	.33	267
Total:	10,000*	//////////	20,850	//////////	5,305
Total for this Request:	10,000	//////////	10,000	//////////	5,000

*Respondents to the Intake, Process evaluation, and Follow-up survey are a subset of those for the CMS; therefore, the total number of annual respondents is 10,000.

** Only information related to the case management data collection process and realted burden is being submitted to OMB with this request. Data collection related to the process evaluation and follow-up survey will be submitted to OMB under this OMB number at a later time. See above.

EXHIBIT 2. ESTIMATE OF ANNUALIZED COST BURDEN TO RESPONDENTS

	Number of	Total annual	Average	Total
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	Respondents	burden hours	hourly wage rate ⁴	annual cost burden
Client Information for the Client Management System (Intake and Privacy Act statement)	10,000	5,000	\$13.76	\$68,800
Process Evaluation Questions	50	38	\$13.76	\$523
Follow-up Survey	1,000	267	\$13.76	\$3,674
Total	10,000	5,305	//////////	\$72,997
Total for this request	10,000	5,000	//////////	\$68,800

13. Estimated Total Annual Cost Burden to Respondents or Recordkeepers

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

14. Estimated Cost to the Federal Government

The estimated cost for this work is still to be determined. However, we estimate that CFPB will need to cover the costs (via the contract) of a client management/outcome tracking system in order to be able to collect and report data, as well as costs associated with the collection, analysis, and reporting of interview and survey data.

15. Program Changes or Adjustments

This submission to OMB is a new request for approval; therefore, the entire burden is considered a program change.

16. Plans for Tabulation, Statistical Analysis, and Publication

The period of time for the demonstration phase of the financial coaching project is three years with two additional option years. CFPB, at this time, plans to publish for stakeholders and the public at least one report that would provide basic information about the program's implementation, the types of issues clients are facing, what their outcomes have been, and general lessons learned to date. All data would be published in the aggregate. CFPB does not know, at this time, what the publication(s) dates would be, but the first publication would occur after the program has been up and running for at least one year.

17. Display of Expiration Date

⁴ Average hourly wage was derived from the Bureau of Labor and Statistics Occupational Employment Statistics (OES) survey, using the 37th percentile (Average hourly rates available at http://www.bls.gov/oes/current/oes_nat.htm). Note that many of the clients will be seeking employment, so an average wage may not reflect the entire distribution.

The Bureau will display the expiration date and OMB control number on all instruments. This information will also be displayed in OMB's public docket at www.reginfo.gov.

18. Exceptions to the Certification Requirement

The Bureau certifies this collection of information is consistent with the requirements of 5 CFR 1320.9, and the related provisions of 5 CFR 1320.8(b)(3) and is not seeking an exemption to these certification requirements.