

**BUREAU OF CONSUMER FINANCIAL PROTECTION
PAPERWORK REDUCTION ACT SUBMISSION
INFORMATION COLLECTION REQUEST**

SUPPORTING STATEMENT PART B

Generic Information Collection Plan for Surveys Using the Consumer Credit Panel

(OMB CONTROL NUMBER: 3170-XXXX)

1. Respondent Universe and Selection Methods

The CFPB has acquired a nationally representative sample of de-identified consumer credit records (the “Consumer Credit Panel” or “CCP”) from one of the three national credit reporting agencies. The initial sample comprises a 1-in-48 random sample of all credit records drawn from the credit reporting agency’s archive from December 2012. The resulting sample includes approximate 5 million de-identified credit records representing the universe of approximately 240 million credit records. At the end of each calendar quarter, the CFPB receives updated credit records for these sampled consumers (if available) and a 1-in-48 sample of credit records that were newly created since the previous quarter. This sampling process was designed to provide an ongoing panel of credit records that remains representative of the universe of credit records at each point in time. The contract with the credit reporting agency also allows for CFPB testing to verify that the panel remains representative.

The de-identified credit records that the CFPB receives carefully exclude any direct identifying information in order to maintain the anonymity and protect the privacy of sampled customers. The records include information about the credit accounts, such as mortgages and credit cards, which are included in each consumer’s credit record (though the identity of the creditor is excluded from the information the CFPB receives). Also included is information about non-credit-related debts that have been reported by third-party collection agencies, monetary-related public records (such as tax liens and bankruptcy filings), and details of any credit record inquiries made by lenders in response to an application for credit. The credit information in the CCP is used to monitor conditions in consumer credit markets, to study consumer behavior regarding credit,

to evaluate the effects of consumer regulations, or to address other issues in support of the Bureau's research, monitoring, and supervisory missions.¹

The potential respondent universe will include borrowers with credit records in the CCP, but the specific universe may vary depending on the research question addressed. For example, the CCP could be used as a sampling frame for surveys with a target population of U.S. borrowers (individuals with a credit record) at a point in time or a target population of borrowers who recently took out a specific type of debt. The information available in the CCP would generally allow for stratification by, for instance, geography or credit score. Survey weights would reflect the sample design and would be adjusted to account for systematic differences in nonresponse along dimensions measured in the CCP.

2. Information Collection Procedures

As described above, we plan to randomly survey individuals with credit records that are included in the CCP. For each survey conducted under this generic clearance, unique record locators assigned to sampled credit records will be sent to the credit reporting agency along with a survey instrument that has been designed by the CFPB staff. The credit reporting agency will identify the consumers associated with each sampled credit record and will mail the survey instrument. The credit reporting agency's subcontractor will receive the responses that are received either by mail or online, remove any direct identifying PII that may have been included in the consumer's response, and send the de-identified data in electronic form to the CFPB. This process, which has been successfully pilot tested for the National Survey of Mortgage Borrowers (NSMB), allows the Bureau to survey consumers without revealing direct identifying PII to the CFPB.

The NSMB also illustrates the types of contact and incentive protocol that might be used for surveys conducted under this generic clearance. The field period for the NSMB is eight weeks and includes up to four first-class mailings. All sampled consumers receive an initial mailing that includes a cover letter introducing the survey along with a paper questionnaire, postage-paid return envelope, and five dollar cash incentive. A reminder letter is sent one week later. In week

¹ Similar datasets are used by the Federal Reserve Board and the Office of the Comptroller of the Currency, so the CFPB is not unique among regulatory agencies in collecting this type of information in order to inform its policymaking.

five, consumers who have not yet completed the survey or opted out receive a second reminder letter with a replacement questionnaire, postage-paid return envelope, and five dollar incentive, and a final reminder letter is sent to remaining nonrespondents in week seven.

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

Obtaining sufficiently high response rates is a challenge for any survey. The CFPB intends to include a cash incentive with each survey to boost response rates. Additionally, the Bureau will incorporate lessons learned by the National Mortgage Database (NMDB)² pilot team, comprised of staff from the CFPB, Freddie Mac, and the Federal Housing Finance Agency, which has pilot-tested a similar methodology for new or delinquent mortgage borrowers. Further, the Bureau believes that response rates can be sufficiently maximized through careful design of survey instrument and clear communication to potential respondents about the survey's purpose, use, and confidentiality protections. Finally, because we will have the de-identified credit records of both respondents and non-respondents to the survey, we anticipate using this information to model survey nonresponse and to adjust sample weights to ensure the results of any analysis are not biased by correlation between nonresponse and observable credit characteristics.

The extensive information from the de-identified credit records for both respondents and nonrespondents will provide a strong basis for investigating potential nonresponse bias relative to the CCP. The data will, for example, permit us to examine differential rates of nonresponse correlated with credit score, dollar amounts of various types of credit lines, and demographics. Based on this analysis, the CFPB will also construct survey weights so that the survey will be representative of American consumers in the target population for a given survey. The nonresponse bias analyses will be of benefit to other federal agencies using samples based on commercially-available administrative data.

For survey respondents, the CFPB will additionally be able to compare the self-reported demographic information in the survey (for example, education, age, and marital status) to the auxiliary demographic information included in the credit-record database. This comparison may

² The National Mortgage Database (OMB No. 2590-0012) is a joint effort of FHFA and the CFPB and is a uniquely comprehensive database of information on the residential mortgage origination market. A key purpose of the NMDB is to make accessible accurate, comprehensive information for monitoring the residential mortgage market. The need for the NMDB grew out of the subprime mortgage crisis that began in the United States in 2007. The subprime crisis, and the financial crisis that followed, revealed the extent to which regulators lacked sufficient data to foresee and adequately respond to a crisis in the mortgage markets.

shed light on the reliability of such auxiliary data and, thus, provide information that may be valuable to government researchers and others that rely on such data when direct measures of these characteristics are unavailable. Further, while the questions are not identical, comparing the answers of survey respondents to related credit and debt information in the CCP will shed further light on the quality of self-reported data relative to the credit-record database. This analysis will be of use to other federal agencies considering supplementing or replacing survey data with data from commercially-available administrative sources.

4. Testing of Procedures or Methods

The CFPB generally plans to test survey instruments on a small scale prior to their use in full-scale surveys, for example through cognitive pretesting using our generic information collection plan designated for such testing . These techniques are meant to reduce the total public burden of the information collection by ensuring that large-scale information collection is optimized.

5. Contact Information for Statistical Aspects of the Design

The name and telephone numbers of these individuals will be provided in the clearance request for each specific data collection.

The Office of Research is currently staffed with over 20 employees with PhD's in the social sciences, who are trained in relevant methods. For any research studies that employ statistical methods submitted for approval under this generic information collection plan, such methods will be reviewed by a qualified statistician for scientific rigor; including compliance with the OMB's statistical program and standards prior to submission to OMB.