

REQUEST FOR APPROVAL UNDER THE “GENERIC CLEARANCE FOR DEVELOPMENT AND OR TESTING OF MODEL FORMS, DISCLOSURES, TOOLS, AND OTHER SIMILAR RELATED MATERIALS” (OMB CONTROL NUMBER: 3170-0022)

1. **TITLE OF INFORMATION COLLECTION:** Student Loan Repayment Disclosure Testing
2. **PURPOSE:** Conduct qualitative testing of student loan repayment disclosures that aim to enable consumers to better understand alternative repayment options for student loan borrowers. This qualitative testing will provide feedback from consumers to assess potential ways to enhance, supplement, or revise written disclosures made to student loan borrowers related to repayment options.
3. **DESCRIPTION OF RESPONDENTS:** Adult consumers (20 years of age and older) with one or more federal student loans in repayment or default. The number of respondents for the web and phone-based screeners are based on an educated guess given total number of respondents required for the individual interviews. The web-based screen will be used as the first method of recruitment. Based on the respondent’s answers to the web-based screen, they will either be qualified or disqualified to participant in the data collection. Our educated guess as to how many respondents will respond to the web-based screen is 100. The respondents who have been deemed “qualified” will receive a follow-up call from the contractor and participate in the phone-based screener to confirm the responses provided in the web-based screener. Depending on the respondent’s answers to the phone-based screener, they will either be deemed qualified or disqualified to participate in the individual interviews. Our educated guess as to how many respondents will respond to the phone-based screen is 70. The total number of respondents we will potentially talk to during the individual interviews is 64.
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 checked="" type="checkbox"/> Telephone
<input checked="" type="checkbox"/> In-person	<input type="checkbox"/> Mail

- Small Discussion Group Focus Group
 Other, Explain _____

b. Will interviewers or facilitators be used?

Yes No Not Applicable

c. What type of disclosure or model form is being tested?

- | | | |
|---------------------------------------|--|--|
| <input type="checkbox"/> Mortgage | <input checked="" type="checkbox"/> Student Loan | <input type="checkbox"/> Electronic Disclosure |
| <input type="checkbox"/> Credit Card | <input type="checkbox"/> Pre-paid Cards | <input type="checkbox"/> Check Cashing |
| <input type="checkbox"/> Remittances | <input type="checkbox"/> Debt Collection | <input type="checkbox"/> Checking Accounts |
| <input type="checkbox"/> Payday Loans | <input type="checkbox"/> Other (Explain): _____ | |

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 (FMG) developed a screener 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 FMG staff in Arlington, VA on behalf of the Consumer Financial Protection Bureau (CFPB). Arlington is only location for data collection but we anticipate respondents from all over the metropolitan area.

6. 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

If applicable, provide link to the Privacy Impact Assessment (PIA):

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

c. If Applicable, has a System or Records Notice been published?

Yes No Not Applicable

If yes, cite the SORN.

Title CFPB.021 Consumer Education and Engagement Records SORN 79 FR 78839.

7. INCENTIVES:

a. Is an incentive provided to participants? [X] Yes [] No

b. If Yes, provide the amount or value of the incentive? \$ 65.

c. If Yes, provide a statement justifying the use and amount of the incentive.

While sessions will last 30 minutes, participants are required to arrive 15 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 45 minutes. Further, many participants have to travel 30-60 minutes to and from the facility. In our experience, a \$65 incentive for a 30 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 \$21.44, transportation cost \$32.40, and potential lost wages of \$12.87 amounts to an estimated \$66.71 cost of participation. The basis for our participant cost analysis is outlined below:

Summary of Estimated Participant Costs

- Child Care: \$21.44 (\$12.25 per hour / per child with up to 1 hour commuting + 45 minutes at test site = 1.45 hours of child care)
- Transportation: \$32.40 (2016 Federal mileage rate of 54 cents per mile @ an average of 60 miles).
- Lost Wages: \$12.87 (Federal minimum wage of \$7.25 per hour x (1 hour commuting + 45 minutes at test site) = 1.45 hours of potential lost wages)

Total: \$66.71 (Estimated participant cost)

Child Care: We found that in the metropolitan Washington area the babysitting rate for one to three

children ranges from \$12.25 to \$15 per hour according to a national childcare rate survey. 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 54 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 \$65 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 \$65 incentive level, total incentives would be \$4,160 (64 participants x \$65) verses a test redo at a cost of approximately \$59,630.

8. BURDEN ESTIMATES:

Category of Respondent	Number of Respondents	Frequency	Number of Responses	Response Time (hours)	Burden (hours)
CFPB TO16_Student Loans Form Testing Screener (Web-based Screener)	100	1	100	.08	8
CFPB TO16_Student Loans Form Testing Screener (Phone-based Screener)	70	1	70	.05	4
Individual Interviews	64	1	64	.5**	32
Totals	100*	//////////	234	//////////	44

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

** The estimated 1 minute per response to complete the Form Customization worksheet is included.

9. FEDERAL COST: The estimated annual cost to the Federal government is \$110,559.33.

10. CERTIFICATIONS

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 (see note in Item 19 of the instructions)
 - (i) It uses effective and efficient statistical survey methodology; and
 - (ii) It makes appropriate use of information technology.

CERTIFICATION FOR INFORMATION COLLECTIONS SUBMITTED UNDER A GENERIC INFORMATION COLLECTION PLAN

- (a) The collection is voluntary.
- (b) The collection is low-burden for respondents and low-cost for the Federal Government.
- (c) The collection is non-controversial and does not raise issues of concern to other federal agencies.
- (d) The results are not intended to be disseminated to the public.
- (e) Information gathered will not be used for the purpose of substantially informing influential policy decisions.
- (f) The collection is targeted to the solicitation of opinions from respondents who have experience with the topics or issues being studied.
- (g) The results will not be used to measure regulatory compliance or for program evaluation.
- (h) The results are not intended to be generalizable or otherwise draw inferences beyond the surveyed population.