

CONSUMER FINANCIAL PROTECTION BUREAU

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:

Reverse Mortgage Discussion Guide Usability Testing

2. PURPOSE:

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203) (the Dodd-Frank Act) established the Consumer Financial Protection Bureau (CFPB) to regulate the offering and provision of consumer products or services under federal consumer financial laws. Section 1013(g) of the Dodd-Frank Act established within the CFPB the Office of Financial Protection for Older Americans (OA), which includes activities designed to facilitate financial literacy of individuals who are age 62 and older (referred to as “seniors”), protect them from unfair, deceptive, and abusive practices, and assist them in making future financial choices.

As part of OA’s efforts to further this goal, OA seeks to improve the utility and effectiveness of its updated Reverse Mortgage Discussion Guide, an informational guide on reverse mortgages (also known as home equity conversion mortgages (HECM)) which are specifically for homeowners age 62 and older. A HECM allows homeowners to use the equity in their home for income, either regular monthly income or a lump sum.

The guide is aimed at helping consumers know the benefits and risks of this incredibly complex product by testing these materials with consumers in the target age range so they can make an informed decision about the appropriateness of the product for their needs. The document is intended for use with a Housing and Urban Development-approved mortgage counselor; however, the guide may also be used as a primer on the reverse mortgage product. Participants will be asked questions about their experience with loan products and then asked to review an informational guide. Participants will be asked to respond to questions about their experience using the informational guide.

Understanding how this guide is used in practice by consumers will allow the CFPB to refine its materials to improve effectiveness. The CFPB’s OA team has contracted with Fors Marsh Group (FMG) for this usability testing.

3. DESCRIPTION OF RESPONDENTS:

This opportunity is being offered to adults, 62 years and older, across the United States who are homeowners.

In order to secure 9 participants for this usability testing, the vendor will screen approximately 150 persons for in-person and remote interviews. For in-person sessions, FMG will contact local FMG panel members with information and the option to complete the local-panel web-based screener to determine if they qualify for the study. For the remote sessions, FMG will post the opportunity to participate through social media channels and provide consumers with the option to complete the national web-based screener to determine if they qualify for this study.

The FMG team will contact participants who qualify based on the web-based screener and administer the phone-based screener to ensure they qualify for participation. During the phone-based screener, the FMG team will ask a series of questions. Depending on the answer he or she receives, the survey will either terminate or continue until 12 total respondents have been secured to be scheduled for in-person or remote usability testing.

On the day of testing, once the quota of 9 participants has been reached, the remaining prospective participants will be informed that their participation is no longer needed. Several participants are expected not to show up at the screening, and they will not be compensated for their time.

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 |
| <input type="checkbox"/> Small Discussion Group | <input type="checkbox"/> Focus Group |
| <input type="checkbox"/> Other, Explain _____ | |

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?

- For in-person sessions, FMG will contact local FMG panel members with information and the option to complete the in-person web-based screener to determine if they qualify for the study.
- For the remote sessions, FMG will selectively target and post the opportunity to participate through social media channels and provide consumers with the option to complete the remote web-based screener to determine if they qualify for the study.
- The FMG Recruitment Team will contact participants who qualify based on the web screener and administer the phone-based screener to ensure that they qualify for participation.
- Respondents are sent a confirmation email with instructions that inform them how they will participate remotely (this email includes a link to the webinar session they will need to join).
- Respondents are contacted the day prior to the interview to remind them about their appointment.
- Participants' information is reconfirmed upon arrival to the session.

Those who participate in-person will be handed the \$75 Visa gift card after their participation in the interview. Remote participants will be mailed a \$75 Visa gift card after their participation in the interview.

6. INFORMATION COLLECTION PROCEDURES

Before completing the web-based screener, participants are provided with links to review the Privacy Act Statement and Paperwork Reduction Act Statements. The FMG Recruitment Team will be the only personnel who have access to personally identifiable information (PII) for purposes of scheduling and providing the incentive for participation. FMG researchers and CFPB personnel will not have access to respondents' PII. Participants will be provided an Information Sheet with a copy of the Privacy Act Statement in advance of their scheduled interviews. Before beginning the interview, the moderator will verbally explain the key points of the information found in the Information Sheet. Two of the key points include participants' right to refuse to answer any question as well as withdraw from participation at any time. Participants are also informed in advance that audio of the session as well as video of the computer screen will be recorded. Participants' names will not be used in any description of findings or associated with the recordings.

After the moderator summarizes the key points of the information found in the Information Sheet, the moderator will ensure participants do not have any questions before proceeding. The moderator will then begin the interview by asking participants about their experiences and knowledge of reverse mortgage. Next, the moderator will present participants with the resource being tested (Reverse Mortgage Discussion Guide) and ask them to review. The moderator will ask participants to think aloud and raise any points of confusion as they are reviewing the

resource. Participants will next be asked to respond to closed-ended Likert-scale questions about their experience reviewing the resource (e.g., “Please rate the clarity of the information presented to you in the Reverse Mortgage Guide”). The moderator will next transition to asking participants open-ended questions about their overall experience reviewing the resource, comprehension level of the information presented, and any specific design elements that led to confusion.

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. CFPB.022 – CFPB Market and Consumer Research Records, 77 F.R. 67802

d. **If applicable, what is the link the Privacy Impact Assessment (PIA)?**

Consumer Experience Research PIA

https://s3.amazonaws.com/files.consumerfinance.gov/f/201406_cfpb_consumer-experience-research_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.**

Participants will be compensated with a \$75 Visa gift card for their participation in the interview. In-person attendees will be handed a \$75 Visa gift card upon completion of the testing. Remote participants will be mailed a \$75 Visa gift card upon completion of the interview. Sessions will last approximately 60 minutes. Participants are required to arrive 10 minutes early to sign in or login to the online session to ensure sessions begin as scheduled. In-person participants may have to travel 30-60 minutes to and from the facility. Remote participants need to use their internet service, computer, and phone for their participation. From past experience, a \$75 incentive for a 60minute session allows for successful recruitment by increasing the attendance rate while controlling amount of time required for recruitment. Participants in this age range may also be responsible for childcare of their grandchildren and therefore may incur the cost of a sitter. 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, potential costs for participation include childcare cost of \$31, transportation costs of \$32, or potential minimum lost wages of \$25 for cost of participation. These are participants' potential base costs which does not take into account the amount to incentivize respondents to show and participate. The basis for our participant cost analysis is outlined below:

- Child Care: \$31 (\$12.5 per hour / per child with up to 1 hour commuting + 1.5 hours at office for interview = 2.5 hours of child care)
- Transportation: \$32 (2015 Federal mileage rate of 53.5 cents per mile at an average of 60 miles).
- Minimum Lost Wages: \$25 (District of Columbia minimum wage of \$11.25 per hour x (1 hour commuting + 1.25 hours at interview site) = 2.25 hours of potential lost wages). Respondents selected for this study will be homeowners and are likely to have a much higher lost wage cost.

In summary, given the potential costs of participation, \$75 is the minimum incentive necessary to recruit and retain the desired 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 study would need to be redone in order to obtain quality results. For example, at the \$75 incentive level, total incentives would be \$900 (12 scheduled participants at \$75) versus a study redo at a cost of approximately \$27,709. The \$75 incentive amount is also the assumed base incentive for participants in the contract with FMG.

9. ASSURANCES OF CONFIDENTIALITY:

- Will a pledge of confidentiality be made to respondents? Yes No
- If Yes, please cite the statute, regulation, or contractual terms supporting the pledge. Participants will receive the following Privacy Act Statement before submitting any information:

10. JUSTIFICATION OF SENSITIVE QUESTIONS (if applicable):

Not applicable

11. BURDEN HOURS:

Collection of Information	Number of Respondents	Frequency	Number of Responses	Response Time (hours)	Burden (hours)
Web-based screener	150	1	150	.08	12
Phone-based screener	25	1	25	.08	2
Interviews	9	1	9	1	9
Totals	150*	///////	184	///////	23

*Respondents to the phone-based screener and interviews are a subset of those who responded to the web-based screener; therefore, the total number of respondents is 150.

12. FEDERAL COST: The estimated annual cost to the Federal government is \$27,709.

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 CFPB 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 CFPB 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.