



“AMERICAN SURVEY OF MORTGAGE BORROWERS”

OMB NUMBER 2590-0015

SUPPORTING STATEMENT

As explained in more detail below, the Federal Housing Finance Agency (FHFA or the Agency) is seeking emergency approval for a six-month renewal of the Paperwork Reduction Act (PRA) clearance for the American Survey of Mortgage Borrowers (ASMB) within 15 days of the filing of the ICR for this control number.¹ The ASMB is a periodic, voluntary survey of individuals who currently have a first mortgage loan secured by single-family residential property. OMB has assigned the ASMB control number 2590-0015, which expired on July 31, 2019. FHFA last conducted the survey in 2018. Because the Agency did not intend to conduct the survey in 2019, it allowed the PRA clearance to expire. Because FHFA intends to conduct the survey again in November 2020, the Agency is now seeking to reinstate the clearance.

A. JUSTIFICATION

1. Circumstances Necessitating the Collection of Information

The ASMB is a component of the “National Mortgage Database” (NMDB[®]) Program, which is a joint effort of FHFA and the Consumer Financial Protection Bureau (CFPB). The NMDB Program is designed to satisfy the Congressionally-mandated requirements of section 1324(c) of the Federal Housing Enterprises Financial Safety and Soundness Act.² Section 1324(c) requires that FHFA conduct a monthly survey to collect data on the characteristics of individual prime and subprime mortgages, and on the borrowers and properties associated with those mortgages, in order to enable it to prepare a detailed annual report on the mortgage market activities of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) for review by the appropriate Congressional oversight committees. Section 1324(c) also authorizes and requires FHFA to compile a database of otherwise unavailable residential mortgage market information and to make that information available to the public in a timely fashion.

As a means of fulfilling those and other statutory requirements, as well as to support policymaking and research regarding the residential mortgage markets, FHFA and CFPB jointly established the NMDB Program in 2012. The Program is designed to provide comprehensive information about the U.S. mortgage market and has three primary components: (1) the NMDB; (2) the quarterly National Survey of Mortgage Originations (NSMO); and (3) the ASMB.

¹ FHFA’s letter requesting emergency processing and a copy of the email from FHFA’s OMB desk officer approving the request are included as Attachments 1 and 2, respectively.

² 12 U.S.C. § 4544(c).

The NMDB is a de-identified loan-level database of closed-end first-lien residential mortgage loans that is representative of the market as a whole, contains detailed loan-level information on the terms and performance of the mortgages and the characteristics of the associated borrowers and properties, is continually updated, has an historical component dating back to 1998, and provides a sampling frame for surveys to collect additional information. The core data in the NMDB are drawn from a random 1-in-20 sample of all closed-end first-lien mortgages outstanding at any time between January 1998 and the present in the files of Experian, one of the three national credit repositories. A random 1-in-20 sample of mortgages newly-reported to Experian is added each quarter.

The NMDB draws additional information on mortgages in the NMDB datasets from other existing sources, including Home Mortgage Disclosure Act (HMDA) data that are maintained by the Federal Financial Institutions Examination Council (FFIEC), property valuation models, and administrative data files maintained by Fannie Mae and Freddie Mac and by federal agencies. FHFA also obtains data from the two surveys conducted as part of the project—the NSMO and the ASMB. The NSMO is a quarterly survey that provides critical and timely information on newly-originated mortgages and those borrowing that are not available from other sources, including: the range of nontraditional and subprime mortgage products being offered, the methods by which these mortgages are being marketed, and the characteristics of borrowers for these types of loans.³

While the NSMO provides information on newly-originated mortgages, the ASMB focuses on borrowers' experience with maintaining their existing mortgages. This includes their experience maintaining mortgages under financial stress, their experience in soliciting financial assistance, their success in accessing federally sponsored programs designed to assist them, and, where applicable, any challenges they may have had in terminating a mortgage loan. In short, the ASMB is designed to collect information necessary to allow empirical analysis of two questions of vital importance to residential mortgage market policymakers and stakeholders:

1. What factors explain or predict which borrowers will become delinquent on their mortgages?
2. Once a borrower becomes delinquent, what factors explain or predict whether the borrower will (a) become current on the loan, (b) decide they cannot afford the mortgage and sell the property or modify the mortgage, or (c) remain delinquent and enter into foreclosure?

The ASMB is carried out primarily by a subcontractor, Westat, under the ultimate direction of FHFA. From 2016 through 2018, the ASMB questionnaire was sent once annually to a stratified random sample of 10,000 borrowers with mortgages in the NMDB. The data in the NMDB allows FHFA to target subpopulations (strata) that are of particular interest, such as borrowers who received counseling, borrowers who are delinquent on their mortgage, or borrowers who obtained a mortgage to purchase a home or to refinance a mortgage on their existing residence. Sampling within strata is random and all strata are selected. In 2018, the ASMB had an 18.7

³ OMB has cleared the NSMO under the PRA and assigned it control no. 2590-0012, which expires on June 30, 2023.

percent overall response rate, which yielded 1,793 survey responses.

FHFA did not undertake the ASMB during 2019, but intends to send out the survey again in the Fall of 2020.⁴ The 2018 and 2020 survey questionnaires are substantially similar, except in that a number of questions specifically relating to the COVID-19 pandemic and its effects have been added to the 2020 questionnaire. Nine new questions have been added regarding expanded mortgage payment forbearance options that may have been offered to borrowers. Nine other new or revised questions address the effect of the COVID-19 pandemic on borrowers' homeownership and employment.⁵ Because of the elimination of several questions, as well as the combination of some other questions, the total number of questions has actually decreased from 93 on the 2018 survey questionnaire to 92 on the 2020 questionnaire.

Each of the 92 questions on the 2020 survey questionnaire is designed to elicit one or more of five different categories of information that are not available in the administrative data and that are needed either to properly analyze the issues described above or to validate the survey responses. These categories are: (1) information needed to validate that the survey reached the correct borrower and that the borrower is providing answers about the correct loan; (2) information about the mortgage loan that does not exist in sufficient detail in the administrative data; (3) information about the borrower's economic circumstances that does not exist, or exists in insufficient detail, in the administrative data; (4) information about the borrower's attitudes regarding his or her mortgage, property, interactions with lenders and servicers, and life circumstances; and (5) information needed to determine the ultimate outcome of the borrower's delinquency and the interim steps that led to that outcome.

To develop and refine the ASMB, the survey subcontractor, Westat, conducts focus groups of borrowers to pretest the survey materials. Such pretesting helps to ensure that the survey respondents can and will answer the survey questions and will provide useful data on their experiences with maintaining their existing mortgages. FHFA uses information collected through the focus groups to assist in drafting and modifying the survey questions and instructions, as well as the related communications, to read in the way that will be most readily understood by the survey respondents and that will be most likely to elicit usable responses. Such information is also used to help determine how best to organize and format the survey questionnaire. FHFA is requesting OMB clearance for those focus groups in addition to the actual survey.

2. Use of Data

FHFA and CFPB are actively engaged in developing policies in response to the COVID-19 pandemic and in support of the recently-enacted CARES Act,⁶ which addresses various ramifications of the pandemic, including its effects on the residential mortgage market. To assist in evidenced-based policymaking in these areas, the agencies have added to the 2020 survey

⁴ A copy of the draft 2020 survey questionnaire is included as Attachment 3 to this Supporting Statement. Copies of the other communications that are to be sent to respondents are included as Attachment 4.

⁵ The eighteen survey questions relating directly or indirectly to the COVID-19 pandemic and its effects are questions 15, 20-28, 30, 56, 72-74, 77, and 82-83.

⁶ Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136 (2020).

questionnaire the questions relating to the effect of the COVID-19 pandemic on home mortgage borrowers that are described in Item #1. It is critical for both agencies to have access to this information as quickly as possible and they are making every effort to send the survey out in the fall of 2020. Therefore, FHFA is requesting an emergency six-month OMB clearance to cover the 2020 ASMB survey.

More generally, FHFA views the NMDB Program as a whole, including the ASMB, as the monthly “survey” required by section 1324(c) of the Safety and Soundness Act. Core inputs to the NMDB, such as a regular refresh of the credit repository data, occur monthly, though the actual surveys conducted under the NMDB Project do not. The information collected through the ASMB is used, in combination with information obtained from existing sources in the NMDB, to assist FHFA in understanding how the performance of existing mortgages is influencing the residential mortgage market, what different borrower groups are discussing with their servicers when they are under financial stress, and consumers’ opinions of federally-sponsored programs designed to assist them. This important, but otherwise unavailable, information assists FHFA in the supervision of its regulated entities (Fannie Mae, Freddie Mac, and the Federal Home Loan Banks) and in the development and implementation of appropriate and effective policies and programs. The information may also be used for research and analysis by CFPB and other federal agencies that have regulatory and supervisory responsibilities or mandates related to mortgage markets and to provide a resource for research and analysis by academics and other interested parties outside of the government.⁷

FHFA uses information collected through the focus groups to assist it in drafting and modifying the survey questions and instructions, as well as the related communications, to read in a way that will be most readily understood by the survey respondents and that will be most likely to elicit usable responses. Such information helps the Agency decide on how best to organize and format the survey questionnaire.

3. Use of Information Technology

The ASMB uses machine-readable paper questionnaires in English and also gives recipients the option of completing the survey online in either English or Spanish. Completed paper questionnaires are scanned and the responses are automatically uploaded into the electronic NMDB.

With respect to the focus groups, data is collected through individual interviews, which may be conducted with or without electronic assistance, as well as through the use of non-electronic tools (such as hand-written notes or responses) and electronic tools (such as audio- and video-recordings).

4. Efforts to Identify Duplication

⁷ For example, CFPB used data collected from the 2016-2018 ASMB waves as one component of a statutorily required assessment of its 2013 Real Estate Settlement Procedures Act (RESPA) mortgage servicing rule. For more information see the following document at pp. 28, 271-72:
https://files.consumerfinance.gov/f/documents/cfpb_mortgage-servicing-rule-assessment_report.pdf.

As explained above, the majority of data included in the NMDB is drawn from existing sources—primarily, the consumer credit database maintained by Experian; the HMDA data released by FFIEC; and administrative data in the possession of FHFA, its regulated entities, and other federal agencies. As described under Item #1, the ASMB questionnaire is designed to obtain critical and timely information that is not available from existing sources. The survey obtains this information directly from borrowers, who are likely to be the most reliable and accessible—and, in some cases, the only—source for this information.

5. Impact on Small Entities

This information collection does not have a significant economic impact on a substantial number of small entities. The survey recipients are individuals only, and all responses are voluntary.

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

While FHFA conducted the survey annually from 2016 through 2018 and intends to send out the survey in the Fall of 2020, it did not conduct the survey during 2019. Although the survey may continue on a biennial basis going forward, FHFA is requesting OMB clearance to conduct up to three periodic surveys under the ASMB over the next three years in the event the Agency determines that it would be useful to conduct the survey annually during that period. Less frequent collection could reduce the usefulness of the survey in assisting FHFA and CFPB in carrying out the regulatory responsibilities described under Items #1 and #2 and in keeping those agencies and other interested stakeholders abreast of how the performance of existing mortgages is influencing the residential mortgage market, whether borrowers are having difficulties maintaining their existing mortgages, and whether federally-sponsored mortgage assistance programs are effective.

7. Circumstances Requiring Special Information Collection

There are no special circumstances that require FHFA to conduct the information collection in a manner inconsistent with OMB guidelines.

8. Solicitation of Comments on Information Collection

As approved by FHFA's OMB desk officer in response to FHFA's request for emergency processing, FHFA published a request for public comments regarding the 2020 version of the ASMB in the *Federal Register* on July 31, 2020.⁸ The 30-day comment period closed on August 31, 2020. Again, FHFA received no comments.

In May 2019, FHFA published a 60-day Notice to begin the renewal of this information collection.⁹ After publication of that 60-day Notice, the agencies decided not to conduct the

⁸ See 85 FR 46104 (July 31, 2020). A copy of the 30-day Notice is included as Attachment 5a to this Supporting Statement. The 30-day Notice was initially published with an incorrect title. Subsequently, FHFA published a Notice of correction, which is included as Attachment 5b. See 85 FR 47970 (Aug. 7, 2020).

⁹ See 84 FR 24783 (May 29, 2019). FHFA received no comments on that Notice.

survey in 2019 (it had formerly been annual) and, instead, to wait until 2020 to conduct the next wave. In light of that decision, FHFA decided to allow the PRA clearance for the ASMB to expire on July 31, 2019 and to continue with the clearance process in early 2020. At the time the Agency was preparing to publish the 30-day PRA Notice in the Spring of 2020, the wide effect of the COVID-19 pandemic on the nation's mortgage markets and overall economy was becoming evident, and the agencies decided to revise the 2020 survey questionnaire to add the questions related to COVID-19 that are described in Item #1. The addition of those questions has made the survey questionnaire materially different from the version that was published with the 60-day Notice in May 2019 and OMB informed FHFA that it could not move forward with the normal clearance process without first publishing a new 60-day Notice attaching the revised survey.

If FHFA were to begin the clearance process anew, it is unlikely that it would receive OMB approval for the revised collection in time to send out the survey in October or November of 2020 as is needed to provide FHFA and CFPB with timely and critical information on the effects of the pandemic on the residential mortgage market (see Item #2). Therefore, FHFA submitted a Request for Emergency Processing to OMB asking that, after publication of a 30-day notice attaching the 2020 survey questionnaire, OMB approve an emergency six month clearance so that it will be able to conduct the survey in the fall of 2020 as needed. OMB approved that request.

9. Provision of Payments or Gifts to Respondents

Survey recipients receive a \$10 cash payment as an incentive to complete and return the ASMB questionnaire. Recipients who have not responded after two contacts will receive an additional cash payment of \$20 upon completion of the survey.

The survey implementation strategy comprises four respondent contacts over a seven-week period:

- *Week 1*: Printed questionnaire, cover letter, and cash incentive (entire survey sample population).
- *Week 2*: First reminder letter (entire survey sample population).
- *Week 5*: Second reminder letter, printed questionnaire, and additional cash incentive (sampled borrowers who have not responded by Week 4).
- *Week 7*: Third reminder letter, which includes the due date for returning the questionnaire, to close the communication loop (sampled borrowers who have not responded by Week 6).

Each focus group participant receives approximately \$75 as an incentive payment.

10. Assurance of Confidentiality

With respect to the confidentiality of survey responses, the cover letter that accompanies each ASMB questionnaire will contain the following statement:

This survey is voluntary, and we ask that you not identify yourself in any way when you return your questionnaire in the enclosed postage-paid return envelope. The code numbers on the survey are there to aid in processing and keep track of returned surveys. No names or other identifying information is ever included in the data.

The questionnaire itself contains a statement, required by the Privacy Act,¹⁰ informing recipients that “[s]ubmission of the survey authorizes FHFA to collect the information provided and to disclose it as set forth” in the current System of Records Notice (SORN) for the National Mortgage Database.¹¹ The questionnaire also instructs recipients not to include their names or addresses when completing the questionnaire.

Section 1324 of the Safety and Soundness Act authorizes FHFA to modify the mortgage data released to the public as necessary to ensure that it contains no “representation of information that permits the identity of a borrower to which the information relates to be reasonably inferred by either direct or indirect means.”¹² For each sampled loan and its associated borrower(s), Experian provides its survey subcontractor, Westat, with the identifying information it needs to administer the survey. However, the data on borrowers and loans that is accessible to FHFA, CFPB, and any other authorized user of the NMDB, including data obtained through the NSMO, does not include any direct identifying information such as borrowers’ names, addresses, or Social Security numbers or the name of any financial institution.

Westat mails a survey questionnaire to the borrower(s) on each sampled mortgage loan at the property address associated with that mortgage. It then uses an encrypted key to track the surveys so that it can compile and maintain the survey opt-out list and identify non-responders to whom it must send follow-up correspondence. All returned questionnaires and any non-delivered mail are sent directly to Westat, not to FHFA, CFPB, or Experian. To maintain the de-identified nature of the data and the confidentiality of the survey responses, Westat purges all responses of any identifying information before providing the collected information to FHFA’s NMDB Program staff for further processing (which is described in Part B of this Supporting Statement).

Similarly, while Westat knows the identity of the cognitive pre-testing participants, that information is not conveyed to FHFA and is not included in the NMDB in any form.

11. Questions of a Sensitive Nature

Of the 92 questions on the survey questionnaire, approximately 25 might be considered to be of a sensitive nature by particular borrowers. Questions that FHFA has identified as potentially sensitive include those requesting information on loan terms, property value, delinquency status, experience with foreclosure, actual and expected employment status, major life events, actual and expected income, actual and expected financial difficulties and efforts to deal with them,

¹⁰ 5 U.S.C. § 552a.

¹¹ See 80 FR 52275 (Aug. 28, 2015); 81 FR 95595 (Dec. 28, 2016). Copies of the current SORN for the National Mortgage Database and a subsequent revision are included as Attachments 6a and 6b, respectively.

¹² See 12 U.S.C. §§ 4544(c)(3), (4).

marital status, race and ethnicity.

Understandably, borrowers that have become delinquent or have defaulted on their loan payments, or whose homes have been foreclosed upon, may experience feelings of shame and embarrassment about disclosing information about those experiences and about the factors that led to them. However, in order for policymakers to design and implement policies and requirements that will be effective in reducing the frequency and severity of delinquencies, defaults, and foreclosures, they must have access to accurate data that will allow them to understand the underlying reasons for those negative outcomes. In addition, while FHFA understands that some survey recipients will be reluctant to answer questions about those sensitive topics, the agency believes that others will look upon doing so as an opportunity to express themselves about issues of concern to them and to help others to avoid falling into similar difficult circumstances.

12. Estimates of the Hour Burden of the Information Collection

This information collection consists of two components: (1) the survey; and (2) the pre-testing of the survey questionnaire and related materials through the use of focus groups. FHFA conducted the ASMB annually from 2016 through 2018, but did not conduct the survey in 2019. The Agency currently plans to conduct the survey next in the Fall of 2020. The decision as to whether to conduct the survey on an annual or a biennial basis going forward will depend upon the availability of funding and on the agencies' assessments as to the need for the type of data collected through the survey. In order to preserve the ability to conduct the survey annually, FHFA assumes, for purposes of these burden estimates, that it will conduct the survey once annually over the next three years. The estimates assume that the Agency will conduct two rounds of pre-testing on each set of survey materials.

FHFA has analyzed the total hour burden on members of the public associated with conducting the survey (5,000 hours) and with pre-testing the survey materials (24 hours) and estimates the total annual hour burden imposed on the public by this information collection to be 5,024 hours. There are no hourly costs imposed upon recipients. The burden estimate for each component of the information collection was calculated as follows:

(1) Conducting the Survey

The estimated annualized hour burden associated with conducting the ASMB is 5,000 hours. The ASMB questionnaire will be sent to 10,000 recipients each time the survey is conducted. Although FHFA expects that on average only about 1,800 of those surveys will be returned, this burden estimate assumes that all of the recipients will respond. The 30 minutes per survey completion time estimate includes the gathering of necessary materials to respond to the questions and is based on the reported experience of respondents to earlier ASMB questionnaires.

Recipients read and complete survey questionnaire and return the completed form to the survey subcontractor:

- Completion time per recipient: 0.5 hours
- Survey mail-outs annually: 1
- Recipients per survey: 10,000
- Total recipients annually: 10,000
- Total hours annually: 5,000 hours

(2) Pre-Testing of Survey Materials

The estimated annualized hour burden associated with the pre-testing of the survey materials is 24 hours.

Selected individuals participate in cognitive testing to pre-test the survey questionnaire and related materials:

- Participation time per person: 1 hour
- Focus groups annually: 2
- Participants per group: 12
- Total participants annually: 24
- Total hours annually: 24 hours

13. Estimated Total Annualized Cost Burden to Respondents

There will be no costs imposed upon the respondents by this information collection. Postage costs to return the survey questionnaire will be pre-paid by the survey subcontractor.

14. Estimated Cost to the Federal Government

The estimated annual burden to the federal government is 167 hours and \$413,360 calculated as follows:

FHFA analyst embeds ASMB data into query-based electronic database:

- Time per survey mail-out: 167 hours
- Total survey mail-outs per year: 1
- Total hours per year: 167 hours
- Hourly rate: \$80 (includes salary, benefits, and overhead)
- Total cost: \$13,360

In addition, FHFA will pay \$400,000 to the survey subcontractor each time it conducts a survey. Included in this amount are approximately: \$105,000 for printing and assembly costs; \$105,000 for the cash incentive payments to survey recipients; \$45,000 for postage costs; and \$145,000 for other fixed costs.

$$\$13,360 \text{ (hourly cost)} + \$400,000 \text{ (paid to subcontractor)} = \$413,360.$$

15. Reasons for Change in Burden

There is no change in burden from the previous estimates.

16. Plans for Tabulation, Statistical Analysis and Publication

As yet, FHFA has not published any data obtained from the ASMB, although it has used data from the 2016-2018 survey rounds internally. Although the Agency has not yet decided whether it will release the 2016-2018 data publicly, it does expect to issue a report based on the data collected from the 2020 survey, including data on the effect of the COVID-19 pandemic on home mortgage borrowers, in 2021.

17. If Seeking Approval to Not Display the Expiration Date for OMB Approval of the Information Collection, Explain the Reasons Why Display Would Be Inappropriate

FHFA plans to display the expiration date for OMB approval.

18. Explain Each Exception to the Topics of the Certification Statement Identified in “Certification for Paperwork Reduction Act Submission.”

There are no exceptions to the topics of the certification statement identified in the “Certification for Paperwork Reduction Act Submission.”

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

- 1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.**

For 2020 survey, a stratified random sample of 10,000 borrowers who had first-lien mortgages outstanding as of August 2020 will be drawn from among the mortgages contained in the NMDB. As explained above, the NMDB is a 1-in-20 sample of all closed-end first-lien mortgages outstanding at any time between January 1998 and the present. FHFA estimates that there were 50 million outstanding first-lien mortgages in the U.S. as of January 1, 2020 and that the NMDB contains information on approximately 2.5 million of those mortgages.

FHFA estimates that the ASMB will generate a 19 percent overall response rate—*i.e.*, that it will yield approximately 1,800 survey responses (factoring in the fact that some of the 10,000 surveys mailed out will not be delivered)—going forward. This estimate is based on an actual response rate for the 2018 survey of 18.7 percent (this yielded 1,793 survey responses).

- 2. Describe the procedures for the collection of information, including:**
 - Statistical methodology for stratification and sample selection,**
 - Estimation procedure,**
 - Degree of accuracy needed for the purpose described in the justification,**
 - Unusual problems requiring specialized sampling procedures, and**
 - Any use of periodic (less frequently than annual) data collection cycles to reduce burden.**

The intent of the survey is to compare the experience different groups of mortgage borrowers had maintaining their mortgage. For the 2020 survey, the targeted subpopulations (strata) that are of particular interest are mortgage borrowers who were in distress (having problems remaining current on their mortgage or other credit obligations) in August 2020. The sample strata are designed to produce final usable samples of approximately equal numbers of borrowers in each of three groups of primary interest to the survey—those who are: (a) in mortgage forbearance but never delinquent; (b) delinquent on their mortgage; and (c) in forbearance or delinquent in other credit obligations, but not the mortgage. These sample sizes should provide a precision level of at least +/- 3 percent for comparisons among the three groups.

The NMDB includes comprehensive information, provided monthly by Experian, on forbearance status and the performance of each of the mortgage loan and non-mortgage credit obligations of each borrower contained in the database. This will enable FHFA to draw an accurate sample for the desired strata.

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.

As explained in Item #9 in Part A, to maximize response rate, survey respondents receive a cash payment as an incentive to complete and return the questionnaire. To further increase response rates, survey recipients are also given the option of completing the survey online in either English or Spanish. The first mailing contains an insert, in both English and Spanish, which informs recipients of those options and provides the appropriate web addresses to access those electronic versions of the survey. The insert also provides Spanish-speaking recipients with a telephone number through which they may request a paper copy of the survey in Spanish.

Both item and survey non-response is addressed using information from other sources. One advantage that the ASMB has over other surveys is the availability of credit and administrative data, much of which appears to be quite reliable. These data are used to assist in the editing and imputation process. Three primary sources of such data are: (1) credit data from Experian on sample loans; (2) data on the survey respondents obtained by Experian from other sources, including loan servicers and data companies; and (3) information for loans that can be matched to HMDA files.

After editing and cleaning the survey response data, FHFA imputes missing responses using statistical models estimated based on the credit and administrative data and answers to other questions in the survey. Missing values for item non-response are imputed statistically using an iterative process. Individual statistical models are developed for each question that used the key demographic variables as well as credit or administrative data such as loan amount and credit score as regressors in linear probability, logistic, or cell-based models (since almost all variables in the survey are categorical). In all instances the imputation incorporates a random component that reflects the accuracy of the imputation model. Variables are imputed in order, with higher order variables that dictated a skip-pattern imputed first, before the variables conditioned on the pattern are to be imputed. Once the first round of imputations is completed, the process is repeated with expanded predictive linear or logistic models that incorporated some of the newly imputed variables as regressors for other variables. This iteration ensures that correlations among the imputed values will better reflect correlations among observations where responses were available.

Commonly, in survey sampling, some individuals chosen for the sample are unwilling or unable to participate in the survey. Non-response bias is the bias that results when respondents differ in meaningful ways from non-respondents. When non-response bias is present, rather than accept a poor match between the sample and the population, it is now common to use weights to bring the two more closely into line. This is known as “non-response weighting.” The ASMB has extensive credit and administrative data on both responding and non-responding borrowers that will be used to estimate non-response weights.

- 4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.**

FHFA uses information collected from the cognitive testing participants to assist the Agency in drafting and modifying the survey questions and instructions, as well as the related communications, to read in the way that will be most readily understood by the survey respondents and that will be most likely to elicit usable responses. Such information will also be used to help the Agency decide how best to organize and format the survey questionnaire. A copy of the most recent version of FHFA's cognitive testing protocol, which was provided to Westat on June 24, 2020, is included as Attachment 7.

- 5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.**

The names of and contact information for individual stakeholders from FHFA, CFPB, and Experian, including those who were consulted on statistical aspects of the design and who will analyze the data, appear in the list included as Attachment 8. FHFA also consulted with the following:

Dr. Mick P. Couper
Survey Research Center and the Institute for Social Research
University of Michigan
426 Thompson Street
Ann Arbor, MI 48104
(734) 647-3577

Dr. Don A. Dillman
Department of Sociology and the Social & Economic Sciences Research Center
Washington State University
Pullman, WA 99164-4014
(509) 335-1511

The subcontractor hired by Experian to carry out the survey and the cognitive testing is:

Westat
1600 Research Blvd,
Rockville, MD 20850

List of Attachments:

1. FHFA's letter requesting emergency processing (July 28, 2020)
2. Email from FHFA's OMB desk officer approving emergency processing (July 28, 2020)
3. Draft ASMB questionnaire to be mailed in November 2020
4. Draft ASMB communication package (in English and Spanish) for 2020
5. Federal Register Notices:
 - a. 30-day Emergency PRA Notice published at 85 FR 46104 (July 31, 2020)
 - b. Notice of correction published at 85 FR 47970 (Aug. 7, 2020)
6. National Mortgage Database System of Record Act Notices:
 - a. SORN published at 80 FR 52275 (Aug. 28, 2015)
 - b. Revision to SORN published at 81 FR 95595 (Dec. 28, 2016)
7. Cognitive Testing Protocol dated July 15, 2020
8. List of National Mortgage Database stakeholders