

**SUPPORTING STATEMENT FOR
GENERIC INFORMATION COLLECTION PLAN FOR
FOUNDATIONAL RESEARCH ABOUT CONSUMER CREDIT
MARKETS AND HOUSEHOLD FINANCIAL DECISION-MAKING**

OMB CONTROL NO.: 3170-00XX

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

One of the primary functions of the Bureau of Consumer Financial Protection (“Bureau”) as set forth in section 1021(c) of the Dodd-Frank Act is “collecting, researching, monitoring and publishing information relevant to the functioning of markets for consumer financial products and services.” Effectively performing that function is integral to assuring that the Bureau achieves the purposes and objectives set forth in sections 1021(a) and 1021(b) of the Act.

To that end, section 1013(b)(1) of the Dodd-Frank Act required the creation of a research unit whose “functions shall include researching, analyzing and reporting on” a number of topics including “consumer awareness, understanding, and use of disclosures and communications regarding consumer financial products or services;” “consumer awareness and understanding of costs, risks, and benefits of consumer financial products or services;” and “consumer behavior with respect to consumer financial products or services.”

Additionally, section 1013(d)(1) established the Office of Financial Education within the Bureau, which is responsible for “developing and implementing initiatives intended to educate and empower consumers to make better informed financial decisions.” Section 1013(d)(3)(B) requires the Office of Financial Education to work with the Office of Research to “conduct research related to consumer financial education and counseling.”

Using empirical evidence and rigorous research, the Bureau improves its understanding of consumer awareness, understanding, and behavior in consumer financial markets, and how to empower consumers in their financial decisions. The Bureau seeks to use this generic information collection plan to collect data from purposive samples (that do not necessarily represent the general public or a population of regulatory interest) through qualitative and quantitative methods, including focus groups, interviews, and controlled trials in field and laboratory settings.

The research will be used for developmental and informative purposes intended to expand the Bureau's foundational research knowledge; it is not intended to provide a sole basis for specific policy or regulatory action at the Bureau with respect to these markets. The research will improve the Bureau's understanding of consumer financial markets, including, potentially, mortgage loans, car loans, student loans, installment loans, small dollar loans, and credit, debit, and prepaid cards. In addition, research may be related to the Bureau's mission regarding financial education, including evaluating the effectiveness of financial education programs and understanding financial planning behaviors, including savings, spending, and investing behavior. The Bureau envisions that the research covered under this clearance will be basic foundational research about consumer credit markets and household finance.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The specific purpose of this clearance is to allow the Bureau to better inform and advance scientific understanding of consumer credit markets and household finance, including consumer awareness and decision-making; consumer experiences, characteristics, beliefs, and attitudes; information disclosure; consumer behavior with respect to consumer financial products and services; financial planning behaviors; and the effectiveness of financial educational programs. The Office of Research envisions a program of data collections, and this clearance will allow it to monitor and research market developments in a timelier manner. In addition, the Bureau envisions that occasional unique opportunities to answer fundamental research questions about consumer finance will arise with external collaborators, and this clearance will allow it to move quickly to take advantage of those situations where the timeline is further outside our control.

While directional research can help the Bureau learn more about consumers in specific (generally regulation-related) contexts, foundational research can help the Bureau learn more about consumers more generally. Foundational research can fill in gaps identified by the Bureau's researchers through their policy work, so that future policy projects can rely more on data, and less on intuition. In this way, increasing foundational knowledge helps the Bureau to be more effective and efficient, and it allows research at the Bureau to take a proactive, rather than reactive, stance when designing disclosures and other materials in the future.

The purpose of research conducted under the expected clearance is not to make regulatory decisions, evaluate specific policies, or substantially inform rulemaking or CFPB policy. Studies conducted under this clearance may identify opportunities for enhanced or improved regulatory or other policy actions; however, the Bureau will not initiate any policy changes based solely or primarily on these research projects. Instead, this clearance covers foundational research studies with developmental and informative

purposes. In many cases, the research studies under this clearance will include purposive samples that are not designed to be representative of a broader population or a population of regulatory interest. These projects are intended to be internally valid, but not necessarily externally valid; that is, the projects will use scientifically rigorous methods, but may not always represent broader populations beyond the sample that is included in the study. Studies conducted under this clearance will not be used to create official government statistics.

The Office of Research will continue to monitor research projects to ensure that projects included under this clearance are not intended to inform particular regulatory decisions, or to develop or evaluate specific policies (e.g., testing of a disclosure form that is intended to later be promulgated in a rule).

The Bureau may, as part of experiments and studies submitted under this clearance, run pre-tests with smaller samples of participants to validate the study's design, and calibrate the materials, software and equipment used for the study. As a result of those pre-tests, it will make only non-substantive changes to the experiment's design, collection instruments, or instructions. If such testing reveals the need for substantive changes to the study, the Bureau will withdraw the study and resubmit it once those changes have been made.

This clearance will allow the Bureau to conduct data collections that will achieve our research project goals with the least amount of burden on the public, and while ensuring strong privacy and data protections throughout these projects. Collections under this clearance will be limited to situations in which sufficient data do not already exist.

Where appropriate, the Office of Research plans to disseminate the results of this research and make versions of the data and analysis available publicly. Therefore, the data to be collected under this generic clearance will not only improve the CFPB's understanding of consumer financial markets, but it will also increase the knowledge available to other policymakers and researchers. Publication of our research will increase the public transparency about the work that we are doing.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

The Bureau will employ information technology as appropriate to reduce the burden of respondents who agree to participate in its research. Computer-assisted participation will be used when feasible and appropriate, including online studies. In general, the Bureau

intends to incorporate electronic data collection techniques whenever possible, particularly since in many instances they are likely to impose the lowest burden on respondents and may be the most cost-effective. However, the extent to which the Bureau will use electronic data collection for a given project will be determined by weighing several factors, including response rates and costs. The Bureau expects that the most effective mode, including mixed-mode combinations, may also vary with the complexity and sensitivity of the information to be collected.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.

The Bureau will conduct qualitative and quantitative research to answer questions that have not yet been satisfactorily addressed in the relevant research literature. In some cases, it will be appropriate to replicate previous studies within a new population of interest to the Bureau (such as military service members, students, older Americans, or people who utilize specific financial products), or if a change in market circumstances suggests that prior research may no longer be applicable. In these cases, the Bureau will detail the relationship between the proposal and existing studies and will describe how the data collection supports the Bureau's mission. A review of the existing relevant literature will be undertaken before proceeding with a project.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

Data collections under this clearance are not anticipated to burden small entities significantly. The Bureau anticipates that the majority of information collections will collect information from individuals, not small entities. In certain circumstances, the Bureau may collect information from small entities. All efforts will be made to minimize the burden on small entities in the event that data will be needed pertaining to these entities. Further, participation in all of these studies is voluntary, and participants may opt out of them at any time. The Bureau will provide details regarding such efforts within each collection request.

6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The clearance will allow the Bureau to collect a variety of types of data to develop a more complete understanding of consumers' decision-making regarding consumer financial products and the characteristics of markets for these products. This knowledge will improve the Office of Research's ability to inform the Bureau in developmental and

formative ways. Without these data collections, the Bureau will be hindered in its work to achieve its mission to understand consumer financial markets, consumer decisions and outcomes in these markets, and how to improve the effectiveness of information provided to consumers in consumer financial markets.¹

In addition, Congress has mandated that the Bureau, in consultation with the Financial Literacy and Education Commission and consistent with the National Strategy for Financial Literacy, “develop and implement a strategy to improve the financial literacy of consumers that includes measurable goals and objectives” (12 U.S.C. 5493 Sec. 1013(d)(1)). The Bureau will be unable to carry out this mandate if it does not have information about consumer experiences navigating the financial marketplace and what strategies can improve financial literacy. Without periodic information collections on consumer experiences and best practices in financial education, the Bureau will not have timely information to adjust its programming to meet consumer needs.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

Most information collections under this clearance will require a single interaction between the agency and respondents, but some information collections could require

¹ Bureau of Consumer Financial Protection Strategic Plan FY 2018 - 2022, Goal 1, <https://www.consumerfinance.gov/about-us/budget-strategy/strategic-plan/>

multiple interactions. For example, some studies may ask for respondents to return to the study more than once within a six-month period; in such cases the respondent would not typically have any burden beyond that period of study. Further, participation in all studies is voluntary, and participants may opt out of them at any time. The Bureau will work to limit the burden on respondents and ensure that studies only include repeated interactions when the additional information gained is anticipated to be substantial and valuable to the study.

Generally, except as noted above, there are no special circumstances. The collection under this information collection plan is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection-of-information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

In accordance with 5 CFR §1320.8(d)(1), the Bureau has published a notice in Federal Register that provides the public 60 calendar days to comment on the extension of reporting requirements contained within OMB Control No. 3170-00XX.²

Also, in accordance with 5 CFR §1320.5(a)(1)(iv), the Bureau has also published a notice in the Federal Register providing the public 30 days to comment on reporting requirements contained within this information collection request.³

9. Explain any decision to provide any payments or gifts to respondents, other than remuneration of contractors or grantees.

² 87 FR 71586 (published on 11/23/2022).

³ 88 FR 43321 (published on 07/23/2023)

Respondents for activities conducted under this clearance will receive payment. This practice has proven necessary and effective in recruiting subjects to participate in this research and is also employed by the other Federal agencies. The amount of any incentive or reimbursement requested, and the justification for the amount, will be provided in each collection request submitted under this clearance.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

As applicable, the Bureau shall treat the information in accordance with applicable federal law, including but not limited to the Bureau's confidentiality rules, 12 CFR Part 1070, and the federal laws and regulations that apply to federal agencies for the protection of privacy, confidentiality, security and integrity. To the extent a pledge of confidentiality is provided to respondents of covered studies, the Bureau will accompany such a pledge with the legal authority and discuss accordingly with the accompanying submission to OMB.

When collecting information about consumer credit markets, the Bureau recognizes that there are privacy and data security risks. The Bureau uses best practices of social science research design to inform the notice and consent vehicles. The Bureau always provides notice to individuals that explain how their information will be used through appropriate vehicles, such as Privacy Notices, Privacy Act Statements or Informed Consent forms. Such notice is made available prior to the collection of information and explains whether the information is mandatory or voluntary; whether there are any opportunities to consent to sharing and submission of information; how the information will be secured, and when a System of Records is created under the Privacy Act.

When the Bureau collects information from third parties, commercial sources, and public databases, individuals to whom information may pertain do not have the opportunity to consent to uses, decline to provide information, or opt out. In such cases, it is those third parties' responsibility to provide any opportunity that may be required to consent, decline, or opt out of how their information may be used. In such instances, the Bureau reviews the privacy policies or other public disclosures from the third-parties regarding their use of the information to verify that there are no contradictions with information sharing and the research. Additionally, the Bureau encourages the development of notice and consent opportunities.

The Bureau also evaluates the potential privacy risk and harm to individuals of specific research relative to that authorized purpose, and vets research proposals to ensure that they serve an authorized purpose.

The information collected under this clearance may include direct identifying personally identifiable information (PII). Typically, direct identifying PII consists of contact information used to facilitate administration of research and is

separated from response data generated from the research. When the Bureau does use direct identifying PII in analyses, it does so in order to a) match across datasets; b) update data sets; c) weight datasets in order to make generalizations regarding a given population; and d) contact potential recipients of our studies to solicit information on consumer experiences with consumer financial products and services.

Conducting research studies implicates privacy concerns because a breach of confidentiality, or re-identification, could result in an individual suffering harm. To reduce the risk of breaches of confidentiality, the Bureau designs recruitment materials so as not to disclose sensitive information about those it seeks to recruit and uses appropriate privacy and security controls to protect information used in research. There is also risk related to misuse of information collected for research. Misuse might involve secondary types of research that are incompatible with the purposes of the initial collection, or a use of the information that individuals do not understand or to which they have not provided consent.

To reduce the risk of misuse, the Bureau minimizes access to PII based on need-to-know and stipulates, in most instances, that contractors that collect data on behalf of the Bureau remove or redact all direct identifying PII, as defined by the Bureau's Privacy Office, before transmitting data to the Bureau. Any contractor staff assigned to the project also sign confidentiality agreements. When appropriate, research results will be presented in aggregated form to protect the confidentiality of firms or consumers, and any publicly released version of data will use disclosure protection techniques (e.g., rounding, imputation, exclusion of some variables, aggregation of categorical responses) to minimize the risk of releasing personally identifiable or otherwise sensitive information (12 CFR 1070.40 *et seq.*). The Bureau treats the information collected from participating persons and institutions in a manner consistent with its confidentiality regulations, and all data and analyses are subject to legal and privacy review prior to their release.

Research will be conducted consistent with the Privacy Act and the E- Government Act. The requisite SORNs and PIAs will document the collection, use, disclosure, and retention of PII; the technical, administrative, and physical controls used to minimize privacy risks. The Bureau has two SORNs that will cover this research: CFPB.021 Consumer Education and Engagement Records, 85 FR 3662; and CFPB.022 Market and Consumer Research Records, 83 FR 23435.

Each submission under this generic will include justification for any collection of PII and a discussion of privacy controls. Specific details regarding information handling will be specified in individual submissions under this clearance but will conform to the broad guidelines described here.

When collecting information about consumer credit markets, the Bureau recognizes that there are privacy and data security risks. The Bureau outlines the way it plans to

mitigate these risks when collecting data using this clearance later in this supporting statement. The Consumer Experience Research PIA and the [Market Analysis of Administrative Data Under Research Authorities PIA](#) covers the data that will be collected under this clearance.⁴

Each request submitted under this generic information collection plan will include a separate justification as applicable for the collection of PII as well as the appropriate Privacy Act information.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

Questions about an individual's finances, for example how much a person makes or how much their mortgage costs each month, are commonly considered sensitive.

Nonetheless, the Office of Research must sometimes ask such questions in order to understand consumer behavior and recognize financial trends and emergent risks relevant to consumers. The Bureau believes that it is justified in asking these types of sensitive questions because they are central to its mission.

In addition, some people may believe that questions about race or other socioeconomic factors may be considered sensitive. However, the Bureau is mandated to enforce fair lending laws and focus on the risks to vulnerable populations, including service members, older Americans, and lower-income consumers. For this reason, the Bureau often needs to ask these types of sensitive questions. For information collections involving questions of race/ethnicity, the Bureau will ensure that the OMB standards for Classification of Federal Data on Race and Ethnicity (Federal Register, October 30, 1997, Volume 62, Number 210, pages 58781-59790) are followed.

Respondent participation and all activities within the research setting are voluntary, and subjects will be made aware of this fact. All respondents are free to opt-out of a data collection at any time and for any reason. Individuals may not have the opportunity to opt out of participation in certain field studies that rely solely on existing administrative or other datasets available from third parties. In such cases, the Bureau will review the third party's consent and privacy policies to ensure compliance with Privacy Act. The Bureau does not intend to identify those individuals; will use standard social science

⁴ Consumer Experience Research PIA https://s3.amazonaws.com/files.consumerfinance.gov/f/201406_cfpb_consumer-experience-research_pia.pdf; and Market Analysis of Administrative Data Under Research Authorities PIA https://s3.amazonaws.com/files.consumerfinance.gov/f/201312_cfpb_pia_admin-data-research.pdf.

research practices to minimize risks of negative impacts to the respondents; and vets field research to ensure it serves an authorized purpose.

The Bureau will ensure that a citation is made to any applicable System of Records Notice (SORN), and a Privacy Impact Assessment (PIA) in the individual submissions under this clearance and in published research.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. General, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

The following tables present estimates of the total number of respondents and burden hours for collections. The number of respondents and average burden per response for a specific collection will depend on the methodology used for gathering information. These estimates, as well as the mix of collection methods used, may be adjusted. Further details on estimated respondents and burden will be provided in each approval request.

There are several styles of research studies conducted under this clearance, all of which may be conducted online or in-person and vary in the typical length of time and number of participants per study. For example, online lab studies are often carried out as individual decision-making tasks that take 30 minutes or less to complete. These types of studies can include several thousand participants per study. In contrast, lab experiments that require in-person or group-level interaction may require more time and therefore include only several hundred participants. Qualitative research, such as focus groups or one-on-one interviews, typically require 60-90 minutes of time but also typically require far fewer people than lab studies. Field and other survey experiments can also take multiple forms that vary in the length of time and number of participants required.

The Bureau has estimated the number of participants per project and timing requirements based on common practices as well as specific research ideas. Individual online tasks typically take less time for participants to complete, allowing the Bureau to conduct many more of these studies each year. Given this, the burden estimates are primarily based on the Bureau’s online lab capability which has a higher potential number of participants per study. This calculation also accommodates research methods that require fewer participants with longer participation time.

Number of projects per year	Number of participants per project	Total responses per participant	Total Responses	Average response time (hours) per participant	Total burden hours per year
8	8,000	1	64,000	0.5	32,000

For each specific collection request submitted under this clearance, a detailed estimate of the burdens of that request will be provided.

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

There will be no capital, operating, or maintenance costs to respondents as a result of participation in any information collection submitted under this clearance.

14. Provide estimates of the annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.

For each data collection that falls under this clearance, costs to the Federal government will be estimated.

15. Explain the reasons for any program changes or adjustments.

This is a new data collection.

16. For collections of information whose results will be published, outline plans for tabulations, and publication. Address any complex analytical techniques that will

be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The Bureau's research projects are intended to expand scientific understanding of consumer decision-making in financial domains. Publication of our research will increase the public transparency about the work that we are doing. Research findings will be published as technical articles that are publicly disseminated as working papers, published in peer-reviewed journals. Therefore, the data to be collected under this generic clearance will not only improve the CFPB's understanding of consumer financial markets, but it will also increase the knowledge available to other policymakers and researchers.

Collection, analysis, and publication of data will span the entire period of the anticipated clearance. The Office of Research plans to conduct an ongoing program of research and therefore plans to apply for an extension to the anticipated clearance when it expires.

Because of publication lag, a typical academic journal article is published one or more years after initial submission. Data collection for a professional publication typically takes at least three to four months, and in some cases could be longer. Data analysis and article preparation typically lasts another three to four months. Thus, professional articles in a peer-reviewed outlet of any kind are estimated to be published from 12 months to 36 months from the time that data collection begins.⁵ The publication process for Bureau in-house products is shorter than that for external academic publications.

All of the studies conducted under this clearance will be intended to improve the Bureau's methods and understanding of consumer decision-making, and not to create official government statistics. Results will not be presented as estimates about a population.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The Bureau plans to display the expiration date for OMB approval of the information collection on all instruments. Further, the OMB control number and expiration date will be displayed on OMB's public PRA docket at www.reginfo.gov.

18. Explain each exception to the certification statement.

⁵ P.K. Trivedi (2006), "An Analysis of Publication Lags in Econometrics" *Journal of Applied Econometrics* 8(1): 93-100.

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OMB Control Number: 3170-XXXX
OMB Expiration Date: XX/XX/XXXX

The Bureau certifies that 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 require.