

**SUPPORTING STATEMENT FOR
CONSUMER COMPLAINT SURVEY
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.

Two of the “primary functions” of the Bureau of Consumer Financial Protection (“Bureau”) as set forth in section 1021(c) of the Dodd-Frank Act are “collecting, researching, monitoring and publishing information relevant to the functioning of markets for consumer financial products and services,” and “collecting, investigating, and responding to consumer complaints.” Effectively performing these functions 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)(3) of the Dodd-Frank Act required the creation of a consumer response unit “to facilitate the centralized collection of, monitoring of, and response to consumer complaints regarding consumer financial products or services.” The Bureau engages in extensive sharing of the data collected by this office, as described in the Final Policy Statement on disclosure of consumer complaint narrative data authorizing the public release of complaint narratives.¹ The data collected through this survey program is authorized by 1021(c)(6) of Dodd-Frank for “performing such support activities as may be necessary or useful to facilitate the other functions of the Bureau” because it will facilitate new and improved uses for the complaints data.

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.” Data from this survey will be useful in facilitating the development educational initiatives and will inform the continued development of the financial literacy strategy required by 1013(d)(2).

The Bureau seeks approval to begin a new data collection with the consumer complaint database as a survey frame, for the purposes of improve our understanding of the sample of consumers that submit complaints and how that sample relates to the population of consumers with similar problems. The proposed project is in two phases. Phase one is a pilot study for consumers who have encountered problems with their credit cards. This survey will provide information about factors associated with submitting a formal complaint to the Bureau. For example, the study will provide information about whether

¹ Disclosure of Consumer Complaint Narrative Data, 80 FR 15572 (Mar. 24, 2015)

older or younger consumers are more likely to submit a complaint after having an issue with their credit card.

With information garnered in Phase one, the second phase seeks to survey additional consumers about a much broader set of consumer financial products, including credit cards, mortgages, vehicle loans, personal loans, bank accounts, and other payments products and services. The goal of this phase of the survey is to be able to understand and correct any selection bias in our complaints data. This information will enable us to use and release weighting information for complaints that allow users of the data to understand how our sample of complainants relates to the population of interest--all consumers who encountered similar problems. For example, given appropriate weighting, a researcher using the data would be able to directly compare the volume of complaints received about different products. The data collection will also provide information useful to the Bureau's statutory research objectives by providing direct information about consumer decision-making and outcomes when they have problems with their financial institutions. Information derived from this study will enable the use of complaints to better assess trends and emerging risks in consumer financial markets.

The information from this survey project will expand our understanding of the complaint data and facilitate its use in achieving the bureau's purposes and several objectives described in section 1021(a) and 1021(b) respectively. In addition, the research may be used to inform the Bureau's financial education strategy, resource planning and strategy, and the operations of the consumer complaint handling unit.

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 study is to facilitate new and improved uses of the complaint data we collect. Our research proposal will also shed light on important questions of how people seek financial help when they have problems, how companies respond to consumers with problems and social and economic factors that lead some consumers to successfully resolve issues, while others do not.

The Bureau currently receives more than 150,000 complaints each month across 13 different major product areas.² The CFPB uses this complaints data to monitor risk in financial markets, assess risk at companies, and prioritize agency action. The CFPB makes complaint data and analyses readily available to CFPB staff to support their supervisory, enforcement, and market monitoring activities. Additionally, the CFPB makes complaint data available to other federal, state, and local agencies, and the public. Of the data assets available through the Bureau's public facing website, the complaints data is the most frequently accessed dataset, with tens of thousands of monthly visits. Through extensive engagement with industry, we have learned that our public data is used by financial institutions for the purposes of benchmarking internal complaint

² Cite to annual report when it's out

handling. Increasingly, academic researchers are using the data for research in a number of fields.³

All of these varied uses of the complaint data would be enhanced by the ability to make improved inferences about the population of consumers who have financial problems. The data collected will also provide information on topics of interest to researchers who study consumer finances, especially areas where existing data cannot answer key research questions. The data in question will also enable both internal and external researchers to assess the impact of complaint handling and disclosure on the market more generally.

The information will also serve as the basis for a public white paper. Where appropriate the Office of Consumer response plant to disseminate additional research results and make public versions of the data and analysis. Data collected under this proposed clearance will improve the CFPB understanding of consumers, of our most popular consumer facing tool, and our most visited public dataset. Release of this data and analysis will increase the public information available to consumers, policymakers, and industry, will lead to improved public transparency and will be of interest to other government agencies that have consumer facing tools.

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.

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's consumer complaint program is unique and external parties cannot undertake this research program, as it relies on access to internal complaint data. To the best of our knowledge the Bureau is the first Federal agency to conduct a survey of this kind.

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

Data collection under this clearance is not anticipated to burden small entities significantly. Information collected under this clearance will come from individuals, not small entities. Further, participation is voluntary, and participants may opt out of them at

³<https://afajof.org/management/viewp.php?n=58240#:~:text=The%20disclosure%20saves%20minority%20borrowers,the%20racial%20gap%20in%20homeownership>

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.

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.

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.**

There are no special circumstances. The information collection described in this 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 the Federal Register that provides the public 60 calendar days to comment on the extension of reporting requirements contained within this information collection.

During this comment period, the Bureau received two comments. One commenter suggested improvements to the consumer complaint system itself which were structural in nature and beyond the scope of this user testing. Another commenter questioned the utility of the research generally and suggested changes to the study design. The Bureau notes these comments, but we remain confident that the study is valid and will yield useful data.

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

To encourage participation rates, participants will be incentivized with a payment of \$100 for taking part in this study.

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 information collected under this clearance by contractors will include direct personally identifiable information (PII) used to contact survey participants and match the survey data to administrative records. The Bureau will only receive and keep response data stripped of direct identifying PII.

Conducting this research study 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 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 our confidentiality regulations, and all data and analyses are subject to legal and privacy review prior to their release. 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. Research conducted under this clearance will be 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.

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 SORN that will cover this collection is CFPB.022 Market and Consumer Research Records, 83 FR 23435.

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 covers the data that will be collected under this clearance.

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 Bureau must sometimes ask such questions to understand consumer behavior and recognize financial trends and emergent risks relevant to consumers. The Bureau believes 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) 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 this data collection at any time and for any reason. The Bureau will use standard social science research practices to minimize risks of negative impacts to the respondents.

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.**

Information Collection Requirement	Number of Respondent	Number of Responses per Respondent	Total Responses	Average Burden Hours	Annual Burden Hours
Pilot Survey	3,200	1	3,200	0.2	640
Full Survey	6,000	1	6,000	0.2	1,200
Total	9,200		9,200		1,840

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 resulting from 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.

The pilot survey is estimated to cost a total of \$487,000 dollars. This total is inclusive of all labor, support staff, and other direct survey costs such as compensation for surveyed consumers.

The full survey, if undertaken, is estimated to cost \$692,000. This estimate was produced by quantifying labor hours, direct costs, and other operational expenses.

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

There are no program changes nor any 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.

After data collection is complete, we will aggregate the cases and controls into a unified data frame. Our main analyses will be a set of logistic regressions with status (case versus control) as the outcome and other data collected in the survey as the predictors. For each predictor, we are interested in the odds ratio of being a case versus a control. The odds ratios will give us an estimate of the magnitude of the association between our predictors and submitting a complaint to the CFPB, given having a credit card issue in the preceding 12 months.

The project is scheduled to launch in the late summer or early fall of 2024. We expect the survey to be in the field for six to eight weeks. We expect to have the primary analyses completed, and a report written up by the end of 2024. Depending on the nature of the results we see in phase 1, we could begin the process of creating the instrument for phase 2 shortly after the report is issued.

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 OMB control number and expiration date associated with this Paperwork Reduction Act (PRA) submission will be displayed on the Federal government's electronic PRA docket at www.reginfo.gov, as well as on the relevant information collection instruments.

18. Explain each exception to the certification statement.

Consumer Complaint Survey
OMB Control Number: 3170-00XX
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 requirements.