

BUREAU OF CONSUMER FINANCIAL PROTECTION

REQUEST FOR APPROVAL UNDER THE “GENERIC INFORMATION COLLECTION PLAN FOR SURVEYS USING THE CONSUMER CREDIT PANEL” (OMB CONTROL NUMBER: 3170-0066)

PART A. GENERAL INFORMATION

1. **Title of the Information Collection (Study):** Making Ends Meet Survey

2. **Study Abstract:**

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Consumer Financial Protection Bureau (CFPB, Bureau) is charged with researching, analyzing, and reporting on topics relating to the Bureau’s mission, including consumer behavior, consumer awareness, and developments in markets for consumer financial products and services. To improve its understanding of how consumers engage with financial markets, the Bureau has successfully used the Consumer Credit Panel (CCP), a proprietary sample dataset from one of the national credit reporting agencies, as a frame to survey people about their experiences in consumer credit markets. The Bureau seeks to obtain approval for another round of the “Making Ends Meet” survey that will solicit information on the consumer’s experience related to household financial shocks, particularly shocks related to the economic effects of the COVID-19 pandemic, how households respond to those shocks, and the role of savings to help provide a financial buffer. The survey will have two arms: one will be a follow-up to respondents from the Bureau’s 2019 “Making Ends Meet” survey to better understand household financial experiences dealing with the economic impacts of the COVID-19 pandemic. The second arm will go to a new sample of consumers from the CCP and will help balance attrition from the follow-up and provide additional information specifically related to savings behaviors. All research under this collection will be related to the household balance sheet, and, thus, will be for general, formative, and informational research on consumer financial markets and consumers’ use of financial products and will not directly provide the basis for specific policymaking at the Bureau.

3. **Type of Collection:**

- a. **Will there be an informed consent?** ☒ Yes ☐ No ☐ N/A

Explain why or why not an informed consent is being used.

The Bureau uses best practices of social science research design to inform the notice and consent vehicles. The Bureau provides notice to individuals that explain how their information will be used through Privacy Act Statements. Privacy Act Statements are made available prior to the collection of information and explain whether the information is mandatory or voluntary; the authority for the information collection; whether there are any opportunities to consent to sharing and submission of information; how the information will be secured and what System of Records applies.

- b. **How will respondents provide the information?** (Check all that apply)

☒ [X] Standard Mail ☒ [X] On-line or other electronic medium

☐ [] Other, Explain _____

c. Briefly describe the mode of collection, including why used.

The Bureau will use the Consumer Credit Panel (CCP), a proprietary 1-in-48 random sample of de-identified credit records from one of the three major national credit reporting agencies, as a frame to survey people about their experiences in consumer credit markets. The survey will solicit information on the sampled consumer's experience related to use of credit products contained in the CCP as well as credit products that are not reported to credit reporting agencies. Because the CCP includes extensive historical credit-record information, surveys based off the CCP will be especially helpful in understanding how households' balance sheets evolve as a result of economic shifts, changes in financial products and service, and consumers' decisions. The size of the CCP and auxiliary information it includes, such as estimated demographic information, will help in identifying specific subpopulations for whom obtaining or using a specific financial product may warrant deeper future research.

The Bureau plans to survey respondents from its 2019 "Making Ends Meet Survey," which were sampled from the CCP, and select a new sample from the CCP. The Bureau will then provide a list of sampled credit records to the credit reporting agency. The credit reporting agency (which, unlike the Bureau, has access to direct identifying information related to these records) will mail a copy of the survey instrument to the consumer associated with each sampled credit record. Consumers will be able to respond to the survey either online or by mail using a prepaid envelope. All responses will be collected by the credit reporting agency or a subcontractor, who will remove any direct personally identifying information that respondents may have inadvertently included, convert the responses into an electronic format, and transmit the data to the Bureau. The respondents will remain anonymous to the Bureau, but the survey responses will include a unique key that will allow responses to be matched with the associated de-identified credit record. The Bureau has experience using de-identified credit records as a sampling frame and with conducting mail and web surveys through this type of arrangement with the credit bureau and a survey subcontractor through the Bureau's Survey of Consumer Views on Debt and its work with FHFA on the National Survey of Mortgage Originations (NSMO) and the American Survey of Mortgage Borrowers (ASMB).

4. Federal Register Notice Citations:

a. **60-day Federal Register Notice** 84 FR 45998 **Date:** 09/03/2019

b. **30-day Federal Register Notice** FR tbd **Date:** tbd

c. **Comments received in response to the 30-day Notice:** ☐ [] Yes ☐ [] No ☒ [X] Comment Phase

d. **If yes, summarize the comments and the Bureau's response to those comments:**

To be completed after close of comment period.

5. **Personally Identifiable Information:**

- a. **Is personally identifiable information (PII) collected?** [X] Yes [] No

1. **If yes, explain direct identifying PII and/or other PII and relevant uses.**

The information collected under this clearance by contractors will include direct identifying personally identifiable information (PII) in order to contact survey participants and match the survey data to administrative records.

- b. **If Yes, is the information that will be collected included in records that are subject to the Privacy Act of 1974?** [X] Yes [] No [] Not Applicable

1. **If Applicable, has a System or Records Notice (SORN) been published?**

[X] Yes [] No

2. **If Yes, provide SORN title and *Federal Register* citation for the SORN** 83 FR 23435

Title: CFPB.022 Market and Consumer Research Records.

- c. **1. Has the Privacy Impact Assessment (PIA) been published?**

[X] Yes [] No [] Not Applicable

2. **If Yes, provide link to PIA. If No, please describe that status of the PIA.:**

http://files.consumerfinance.gov/f/201406_cfpb_consumer-experience-research_pia.pdf

3.

4. **Please identify any steps you are taking to mitigate the risks of “re-identification” of data from which PII has been stripped**

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.

PART B. JUSTIFICATION

1. Purpose of the Study and Intended Uses of the Data:

The CFPB requests approval from the Office of Management and Budget (OMB) for an additional round of the Making Ends Meet survey soliciting consumer's experience related to household financial shocks, how households respond to those shocks, particularly the economic shocks induced by the COVID-19 pandemic, and consumer's use of credit products contained in the CCP, as well as credit products that are not reported to credit reporting agencies. This collection will allow the Bureau to achieve our research goals with the least burden on the public while ensuring strong privacy and data protections throughout these projects.

Much of the Consumer Financial Protection Bureau (CFPB, Bureau)'s mission focuses on understanding how consumer financial markets work, highlighting avenues for innovation in financial products and services, and identifying and mitigating potential risks to consumers.¹ The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) authorizes the CFPB to engage in research and market monitoring activities to assess trends and to identify emerging risks in consumer financial markets.² Section 1013(b)(1) of the Dodd-Frank Act establishes the Office of Research for the purpose of researching, analyzing, and reporting on topics related to the Bureau's mission, including consumer behavior, consumer awareness, and developments in markets for consumer financial products and services. The Office of Research grounds its understanding in these areas in rigorous empirical analyses that can, in turn, be used to benefit consumers, businesses, and researchers, among others.

Developing a comprehensive understanding of the evolution of consumers' and households' financial lives is one of the areas the Office of Research has identified as a research priority. This research on "household balance sheets" encompasses basic research about consumer credit markets and household finance, rather than focusing on a particular area of regulatory interest. One focus of this foundational research is monitoring developments in consumers' financial situations, resulting changes in their use of financial products, and the effects of choosing to use a given financial product on their balance sheets. Household balance sheets include financial product use, assets, liabilities, income, savings, and expenditures of the household. Research under this information collection will support this research area and, among other things, allow the Bureau to readily identify issues for future deeper study. In addition, this information collection will provide evidence to support the Bureau's "Start Small, Save Up" initiative. The goal of this initiative is to increase people's opportunities to save and to empower them to achieve their emergency savings goals.

¹ CFPB FY 2013 – FY 2017 Strategic Plan, goal 3, <http://www.consumerfinance.gov/strategic-plan/>

² DFA Section 1013(b)(1) mandates that the Bureau have research staff whose responsibilities include "[r]esearching, analyzing, and reporting on (A) developments in markets for consumer financial products or services, including market areas of alternative consumer financial products or services with high growth rates and areas of risk to consumers; (B) access to fair and affordable credit for traditionally underserved communities; (C) consumer awareness, understanding, and use of disclosures and communications regarding consumer financial products or services; (D) consumer awareness and understanding of costs, risks, and benefits of consumer financial products or services; (E) consumer behavior with respect to consumer financial products or services, including performance on mortgage loans; and (F) experiences of traditionally underserved consumers, including un-banked and under-banked consumers."

The Bureau seeks approval for an additional round of the “Making Ends Meet” survey that will use the Consumer Credit Panel (CCP), a proprietary 1-in-48 random sample of de-identified credit records from one of the three major national credit reporting agencies, as a frame to survey people about their experiences in consumer credit markets. The survey will solicit information on the sampled consumer’s experience related to use of credit products contained in the CCP as well as credit products that are not reported to credit reporting agencies. Because the CCP includes extensive historical credit-record information, surveys based off the CCP will be especially helpful in understanding how households’ balance sheets evolve as a result of economic shifts, changes in financial products and service, and consumers’ decisions. The size of the CCP and auxiliary information it includes, such as estimated demographic information, will help in identifying specific subpopulations for whom obtaining or using a specific financial product may warrant deeper future research.

The specific purpose of this information collection is to advance the Bureau’s research into household balance sheets allowing the Bureau to inform and advance scientific understanding of consumer credit markets and household finance. This research program aims to help the Bureau and stakeholders better understand how consumer experiences, perceptions, and decisions affect households’ balance sheets over time. These data collections will allow the Bureau to understand how markets are evolving and to discover problems or concerns, providing opportunity for further study with more targeted research projects. The collection will also inform the Bureau’s Start Small, Save Up initiative. By collecting information about household saving behaviors, researchers will be able to better understand current savings practices and identify areas that may hinder some consumers from reaching their savings goals.

Surveys that are directly linked to the CCP are invaluable to this research agenda because the CCP provides extensive longitudinal data on households’ liabilities and their credit score—a key measure of creditworthiness as perceived by lenders. Surveys linked to the CCP can provide information that are not available in credit records such as perceptions, behaviors, experiences, income, expenditures, economic shocks, and ownership and values of various assets (homes, savings accounts, etc.)

The main research question for this information collection relates to the persistence of external shocks (for example, an unemployment episode) on the dynamics of household balance sheets. Because the necessary data is scarce, very little is known about the persistence of these effects over time or the specific economic impacts of the COVID-19 pandemic. For example, are consumers able to use credit effectively to smooth these types of shocks and recover relatively quickly? Or does the income disruption have ramifications that affect the household’s balance sheet for years, or a lifetime? How can financial markets affect these outcomes? How do households use savings to avoid having a shock become a larger financial problem?

Research conducted under the requested clearance will not be the primary basis for particular regulatory decisions or for the development and evaluation of specific policies. Studies conducted under this approval aim to identify opportunities for enhanced or improved attention by the Bureau actions; however, as noted, the Bureau will not initiate any changes without further, more rigorous study.

2. **Payments or Gifts (Incentives) to Respondents:**

Survey recipients will receive a pre-paid five dollar cash incentive as an incentive to complete and return the survey questionnaire. Recipients who do not respond within the first month of the field period will receive a second cash incentive. The incentive and contact protocol for the Making Ends Meet Survey is the same as that used by the Survey of Consumer Views on Debt and the National Survey of Mortgage Borrowers and was tested in the Bureau's pilot of survey in 2017 (see "Methods to Maximize Response Rates" below for more detail).

3. **Assurances of Confidentiality and Justification for Sensitive Questions:**

CFPB shall treat the information in accordance with applicable federal law, including, but not limited to, the Bureau's confidentiality rules, 12 C.F.R. Part 1070, and the federal laws and regulations that apply to federal agencies for the protection of privacy, confidentiality, security and integrity.

The CFPB uses best practices of social science research design to inform the notice and consent vehicles. The Bureau provides notice to individuals that explain how their information will be used through Privacy Act Statements. Privacy Act Statements are made available prior to the collection of information and explain whether the information is mandatory or voluntary; the authority for the information collection; whether there are any opportunities to consent to sharing and submission of information; how the information will be secured and what System of Records applies.

The information collected under this clearance by contractors will include direct identifying personally identifiable information (PII) in order 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.

4. **Estimated Burden of Information Collection:**

Information Collection	No. of Respondents	Frequency (Responses per Respondent)	Total Annual Responses	Average Response Time (hours)	Total Burden Hours
Wave 3 Follow-Up	2,000	1	2,000	.25	500
Additional Sample	2,200	1	2,200	.33	726
Totals:	4,200	//////////	4,200	//////////	1,226

6. **Federal Costs (estimated annual cost to the Federal government):**

\$410,000

PART C. STATISTICAL METHODS

1. **Respondent Universe and Selection Methods:**

The Consumer Financial Protection Bureau (CFPB, Bureau) has acquired a nationally representative sample of de-identified consumer credit records (the “Consumer Credit Panel” or “CCP”) from one of the three national credit reporting agencies. The basis for the sample is a 1-in-48 random sample of all credit records drawn from the credit reporting agency’s archive from December 2012. The resulting sample includes approximately five million de-identified credit records representing the universe of approximately 240 million credit records. At the end of each calendar quarter, the Bureau receives updated credit records for these sampled consumers (if available) and a 1-in-48 sample of credit records that were newly created since the previous quarter. This sampling process was designed to provide an ongoing panel of credit records that remains representative of the universe of credit records at each point in time. The contract with the credit reporting agency also allows for CFPB testing to verify that the panel remains representative.

The de-identified credit records that the Bureau receives carefully exclude any direct identifying information to maintain the anonymity and protect the privacy of sampled customers. The records include information about the types of credit accounts, such as mortgages and credit cards, which are included in each consumer’s credit record (though the identity of the creditor is excluded from the information the Bureau receives). The data also include information on non-credit-related debts that have been reported by third-party collection agencies, monetary-related public records (such as

tax liens and bankruptcy filings), and details of any credit record inquiries made by lenders in response to an application for credit. The credit information in the CCP is used to monitor conditions in consumer credit markets, to study consumer behavior regarding credit, to evaluate the effects of consumer regulations, or to address other issues in support of the Bureau's research, monitoring, and supervisory missions.

The sample for this information collection will consist of two samples from the CCP. One will consist of the approximately 3000 consumers who responded to Wave 1 of the Making Ends Meet survey in 2019. Based on the response rates to Wave 2 and the pilot, the Bureau expects a response rate of approximately 66% and 2000 respondents. The second sample will consist of a new sample of consumers from the Consumer Credit Panel. The sampling process may include sampling schemes other than simple random sampling, including stratification or oversampling populations of interest (such as consumers with low credit scores and consumers of different age groups). The additional sample is anticipated to be sent to approximately 10,000 people. Based on the pilot and Wave 1 of the survey, we anticipate a 22% response rate and 1,400 participants. Survey weights would reflect the sample design and would be adjusted to account for systematic differences in nonresponse along dimensions measured in the CCP.

2. Information Collection Procedures:

As described above, we plan to survey a sample of individuals with credit records that are included in the CCP. The persistent consumer identifiers for sampled credit records will be sent to the credit reporting agency. The credit reporting agency will identify the consumers associated with each sampled credit record and will mail the survey instrument which was designed by the Bureau staff. The credit reporting agency's subcontractor will receive the mail or online responses, remove any direct identifying personally identifiable information (PII) that may have been included in the consumer's response, and send the de-identified data in electronic form to the CFPB. This process allows the Bureau to survey consumers without revealing direct identifying PII to the CFPB and has been successfully used for the National Survey of Mortgage Originations (NSMO), American Survey of Mortgage Borrowers (ASMB), the Survey of Consumer Views on Debt, and the previous rounds of the Making Ends Meet survey.

The field period will be eight weeks and include up to four first-class mailings. All sampled consumers receive an initial mailing with a cover letter introducing the survey along with a paper questionnaire, postage-paid return envelope, and five dollar cash incentive. A reminder letter is sent one week later. In week five, consumers who have not yet completed the survey or opted out receive a second reminder letter with a replacement questionnaire, postage-paid return envelope, and five dollar incentive, and a final reminder letter is sent to remaining non-respondents in week seven.

3. Methods to Maximize Response Rates:

Obtaining sufficiently high response rates is a challenge for any survey. The Bureau intends to include a cash incentive with each survey to boost response rates. Additionally, the Bureau will incorporate lessons learned by the Bureau from the pilot conducted in 2017.. The Bureau has also

learned through the National Mortgage Database (NMDb) team, comprised of staff from the CFPB, Freddie Mac, and the Federal Housing Finance Agency (FHFA), which administers the National Survey of Mortgage Originations (NSMO) and the American Survey of Mortgage Borrowers (ASMB) using a similar sampling methodology.

When the Bureau successfully piloted the survey in 2017, we tested whether a ten dollar incentive would increase response rates to the survey enough to justify the additional cost.³ We found that the ten dollar incentive did not significantly increase response rates enough to justify the additional cost, and therefore, we plan to use a five dollar incentive for the survey.

Meta-analyses of mail surveys find that incentives given initially with the questionnaire yield significantly higher response rates than do incentives contingent on return of the survey or no incentives; furthermore, monetary incentives produce a stronger effect than non-monetary incentives. Many recurring federally-funded surveys use monetary incentives, including the Survey of Consumer Finances, the Survey of Income and Program Participation, and the National Survey of Drug Use and Health, and self-administered surveys such as the Survey of Doctorate Recipients, the National Survey of Recent College Graduates, and the National Survey of Mortgage Borrowers. Incentives have consistently been found to improve response rates across a variety of survey topics and modes. Incentives have been found to be cost-effective in different modes and often reduce the effort required to contact and interview sample persons or the number of follow-up mailings.

In addition, the Bureau believes that response rates can be sufficiently maximized through careful design of survey instrument and clear communication to potential respondents about the survey's purpose, use, and confidentiality protections. Finally, because we will have the de-identified credit records of both respondents and non-respondents to the survey, we anticipate using this information to model survey nonresponse and to adjust sample weights to reduce the likelihood that the results of any analysis are not biased by correlation between nonresponse and observable credit characteristics.

The extensive information from the de-identified credit records for both respondents and non-respondents will provide a strong basis for investigating potential nonresponse bias relative to the CCP. The data will, for example, permit us to examine differential rates of nonresponse correlated with credit score, dollar amounts of various types of credit lines, and demographics. Based on this analysis, the Bureau will also construct survey weights so that the survey will be representative of American consumers in the target population for a given survey. In the previous rounds of the Making Ends Meet survey, as well as other surveys the CFPB has done using credit-record data as a sampling frame, the Bureau found that consumers who are older and have higher credit scores are slightly more likely to reply. Observable credit characteristics only weakly predict who will respond. The nonresponse bias analyses will be of benefit to other federal agencies using samples based on commercially available administrative data.

For survey respondents, the Bureau will additionally be able to compare the self-reported demographic information in the survey (for example, education, age, income, and marital status) to the auxiliary demographic information included in the credit-record database. This comparison may shed light on the reliability of such auxiliary data and, thus, provide information that may be valuable to government researchers and others that rely on such data when direct measures of these

³ This research has been published in: Bucks, Brian, Mick Couper, and Scott Fulford, 2020, "A Mixed-Mode and Incentive Experiment Using Administrative Data," *Journal of Survey Statistics and Methodology*, 8(2): 352-369.

characteristics are unavailable. In the pilot Making Ends Meet survey as well as other surveys the Bureau has done using credit-record data as a sampling frame, the Bureau found that the auxiliary data are predictive of survey respondents' self-reported demographic information, but there are significant differences for some consumers.

5. Contact Information for Statistical Aspects of the Design:

Scott Fulford ((202) 435-9798)

Brian Bucks ((202) 435-7856)

PART D. CERTIFICATION PURSUANT TO 5 CFR 1320.9, AND THE RELATED PROVISIONS OF 5 CFR 1320.8(b)(3) :

By submitting this document, the Bureau certifies the following to be true:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (d) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (e) It indicates the retention period for recordkeeping requirements;
- (f) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
 - (i) Why the information is being collected;
 - (ii) Use of information;
 - (iii) Burden estimate;
 - (iv) Nature of response (voluntary);
 - (v) Nature and extent of confidentiality; and
 - (vi) Need to display currently valid OMB control number;
- (g) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected;
- (h) It uses effective and efficient statistical survey methodology; and
- (i) It makes appropriate use of information technology.

PART E. CERTIFICATION FOR INFORMATION COLLECTIONS SUBMITTED UNDER A GENERIC INFORMATION COLLECTION PLAN

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