

# Market Research in the Field v.1

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**Does the CFPB use the information to benefit or make a determination about an individual?** No.

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**What is the purpose?**

- Conduct research to understand consumer financial markets
  - Monitor for risks to consumers in offering or provision of consumer financial products or services
  - Follow developments in markets for such products or services
  - Learn about how consumer financial products or services, or their features, can benefit consumers
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**Are there controls to enforce accountability?**

Yes, all standard CFPB privacy protections and security controls apply.

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**What opportunities do I have for participation?**

Generally applicable: Appropriate opportunities for notice, consent, access, and redress.



Consumer Financial  
Protection Bureau

# Overview

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”), Public Law No. 111-203, Title X, including Sections 1013, 1022, and 1032, authorizes the CFPB to conduct research to understand consumer financial markets; to monitor for risks to consumers in offering or provision of consumer financial products or services; and to follow developments in markets for such products or services (“Market Research”). As part of its research programs, the Bureau utilizes primary data collection in the consumer financial market (“Market Research in the Field”). Rigorous formal evaluation via Market Research in the Field enables the CFPB to identify causation and determine the effects on consumers of a particular factor; for example, a financial product, disclosure form, or financial training. Via Market Research in the Field, the CFPB can evaluate how economic activity operates in naturally occurring environments, and it generally allows for research to occur over a longer period of time than in a lab setting.

In general, the CFPB designs Market Research in the Field to provide insight into:

- Consumer awareness and decision-making, for example, understanding what financial products or features people are aware of and why they choose one product over another;
- Consumer experiences and potential risks to consumers, including traditionally underserved consumers, in order to help them improve their financial lives;
- Information disclosure and how disclosure may affect behavior;
- The effect of educational or other interventions on consumer financial behavior or outcomes;
- How consumer financial products or services, or their features, can benefit consumers to make consumer financial markets work better for the American people; and
- The development or impact of technologies or product innovation.

When conducting Market Research in the Field, the CFPB may collaborate with third parties, including consumer financial products or service providers, innovators, entrepreneurs, non-profit or academic institutions, community-based organizations, or nonprofits; and social science researchers who are active in or may contribute insight into the consumer financial market. The CFPB may lead Market Research in the Field directly, contract with a third party, or accept a collaboration proposal submitted by a third party. In considering proposals by third parties, the CFPB evaluates whether the proposals align with Bureau research or policy goals or mandates, meet specified standards and procedures, and whether appropriate legal agreements establish roles, responsibilities, and accountability mechanisms. For example, a financial company may request a waiver from financial regulation requiring disclosures of information to

consumers in a certain format in order to test new ways to provide consumers with the most effective and understandable disclosures about consumer financial products. In this case, the CFPB reviews proposals based on the extent to which a proposal may help the Bureau develop disclosure rules or policies that better enable consumers to understand the costs, benefits, and risks associated. In its approval, the CFPB specifies the rules regarding the waiver; the temporary duration of the waiver; the scope of test populations; research methodology; and any other relevant conditions. Another example is a third party proposing a study that evaluates the effectiveness of different mechanisms to encourage consumer saving behavior and to promote consumer wellbeing.

Market Research in the Field will often require the use of a randomized controlled trial (RCT) methodology. This means that some customers will be exposed to a variable (for example, they may be provided information about savings options) and others may not (a control group). In general, the CFPB will provide notice to individuals that Market Research in the Field is occurring. In some cases, however, individuals may receive no notice or a delayed or otherwise modified notice, as appropriate. Rigorously analyzing differences between these groups, in conjunction with other best-practices in the social sciences, allows the Bureau to study and interpret effects of different variables.

Subject to applicable law, including the Bureau's confidentiality regulations, 12 C.F.R. Part 1070, and approval process, the CFPB plans to publish results of Market Research in the Field in peer-reviewed journals, as well as possibly other research reports. These reports will be available to the public, and will not include any information that identifies an individual without informed consent.

There is no single system of consolidated data or omnibus system related to Market Research in the Field, and Market Research in the Field does not typically involve the retrieval of information by personal identifier. However, in some cases retrieval by personal identifier may be necessary to facilitate Market Research in the Field – for example, to facilitate the matching of records across data sets. In instances where data is retrieved by personal identifier and subject to the Privacy Act, it is covered by CFPB.022 – Market and Consumer Research Records, or CFPB.021 – Consumer Education and Engagement Records SORN(s) as applicable. Where matching is conducted, it is performed by a third party and the CFPB itself receives information stripped of direct-identifying personally identifiable information (PII); and the CFPB conducts analysis on the de-identified information for generalized insight into consumer decision-making as discussed under the section of this PIA entitled “Privacy Risk Management.”

In conducting Market Research in the Field, the CFPB may seek OMB approval under the Paperwork Reduction Act (PRA) through one of the Bureau’s generic information collection plans or standard clearances, including, “CFPB Generic Information Collection Plan for Studies of Consumers using Controlled Trials in Field and Economic Laboratory Settings”<sup>1</sup>, or through separate clearances specific to a program or research project.

## Privacy Risk Analysis

As with any data collection and use, there are privacy risks. The primary privacy risks associated with Market Research in the Field are risks related to:

- Confidentiality,
- Individual Participation,
- Data Minimization, and
- Accountability.

Efforts to mitigate these risks are described in detail below in Privacy Risk Management.

**Confidentiality.** In the event of breach of confidentiality or if an individual is re-identified from data stripped of direct identifying PII, there would be risk of embarrassment or reputational harm. To minimize the risk to confidentiality, the Bureau minimizes the collection of direct identifying information, and enforces access controls to minimize the number of individuals who have access to the data and by storing data on systems that have been accredited as secure for this type of data. Staff are also trained on how to handle potential breaches to minimize negative impacts.

**Individual Participation.** There is a risk associated with Individual Participation and the degree of notice and consent applicable to Market Research in the Field. Because most of the

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<sup>1</sup> The “CFPB Generic Information Collection Plan for Studies of Consumers using Controlled Trials in Field and Economic Laboratory Settings” public notice for comment, 79 Fed. Reg. 20865 (Apr. 14, 2014), is available at <http://www.gpo.gov/fdsys/pkg/FR-2014-04-14/pdf/2014-08266.pdf>.

information collected and used in Market Research in the Field is collected from third parties, and not provided directly by individuals to the CFPB, opportunities for notice and informed consent may be limited or not practicable. Furthermore, an individual may not know that they are part of a research study and therefore are subject to indirect observation. For example, a consumer of a company conducting a disclosure trial under a waiver from the CFPB may not know that the disclosure they receive is not the one required under regulation, but rather a trial disclosure that is still legally effective (i.e. the consumer cannot claim that they did not receive the required disclosure). Further, the consumer may not know that his or her behaviors relating to specific research questions may be evaluated – in the aggregate – as part of a research study about consumers generally. To address the limits of individual participation, the Bureau has published this PIA, relies on a SORN (if applicable) and approval from the Office of Management and Budget of information collections under the Paperwork Reduction Act (if applicable); and makes policies and procedures for the Market Research in the Field available (as appropriate).

**Data Minimization.** To reduce the risk of overcollection, the CFPB typically collects information that has been stripped of direct identifying PII, and conducts analysis for generalized insight into consumer decision-making in the aggregate.

**Accountability.** To minimize the impact to individuals, the Bureau uses standard social science research practices, including designing Market Research in the Field in accordance with human subject research protocols, and reviewing research proposals to ensure that they serve an authorized purpose. The Bureau also implements contractual obligations for third parties to support incident response and recovery in the event of a security breach or data loss, and likewise requires compliance with CFPB cybersecurity policy and procedures.

The collection of information under Market Research in the Field does not introduce risks beyond those that consumers already encounter on a daily basis. That is, industry participants engage in similar forms of research to better understand consumers' choices and behaviors. In addition, the risks to individuals are small, and the Bureau has procedures in place to cancel research in the event of negative impact to individuals, and it retains the right to terminate an agreement to conduct Market Research in the Field with partners at any time. The Bureau implements appropriate technical, physical, and administrative controls relative to the risks presented to individual participation, minimization, confidentiality, and accountability presented by Market Research in the Field. The controls implemented by the CFPB for Market Research in the Field are discussed in more detail in the subsequent sections of this PIA.

# Privacy Risk Management

## 1. Describe what information the CFPB collects, how the information is collected, and the sources from which the information is collected.

Information collected for Market Research in the Field is typically collected from third parties. These third parties may include consumer financial product and service providers; innovators and entrepreneurs; non-profit and academic institutions; and social science researchers who monitor or research aspects of consumer financial market. Information is related to consumers' interactions in the marketplace and in most cases, contains PII stripped of direct identifiers.

Some information collected may include direct identifying PII. Typically direct identifying PII consists of contact information used to facilitate administration of research. This contact information is typically separated from response data generated from the research. When the CFPB does use direct identifying PII in research, it does so in order to a) match across datasets; b) update data sets; and c) contact potential recipients of surveys and then use those surveys to solicit information on consumer experiences with consumer financial products and services. In rare cases, the CFPB may use other directly identifying PII, such as a Social Security number (SSN), in order to match across data sets. For example, the CFPB may partner with a financial institution to study the effects a credit building line of products has on increasing positive outcomes for consumers, for instance, improved credit scores. In such cases, the CFPB would use the participant's SSN to pull credit reports, with informed consent of the participant, to evaluate the change over time in a participant's credit score.

The CFPB minimizes intrusiveness by only collecting PII when necessary for an authorized purpose. Controls that help minimize intrusiveness of Market Research in the Field include: collaborating with third parties and obligating the third parties to either restrict CFPB access to only aggregated information, or stripping direct identifying PII from information prior to submission to the CFPB; collecting direct identifying PII only for the purposes of matching across datasets, and then destroying the PII used for matching; or, collaborating with a third party to prepare the information in different ways that permit the CFPB to gain insight into the information while limiting the risks related to receipt or maintenance of that information. Where possible, the CFPB uses information that does not directly identify an individual to make generalizations for a group of consumers. For example, the CFPB may use zip code to a) weight datasets in order to make generalizations regarding a given population; or b) proxy based on

population characteristics. Additionally, the CFPB trains its employees and contractors on the appropriate collection, use, disclosure, and retention of the information; and ensures Personnel Security, which includes the use of background checks.

## 2. Describe CFPB's objective for the information.

The CFPB collects information for Market Research in the Field related to:

- Consumer awareness and decision-making, for example, understanding what financial products or features people are aware of and why they choose one product over another;
- Consumer experiences and potential risks to consumers, including traditionally underserved consumers, in order to help them improve their financial lives;
- Information disclosure and how disclosure may affect behavior;
- The effect of educational or other interventions on consumer financial behavior or outcomes;
- How consumer financial products or services, or their features, can benefit consumers to make consumer financial markets work better for the American people; and
- The development or impact of technologies or product innovation.

CFPB initiatives that involve Market Research in the Field typically pertain to specific consumer financial product markets, including mortgages; car loans; student loans; installment loans; small dollar loans; checking and savings accounts; and credit, debit, or prepaid cards. The CFPB collects this information in order to carry out its statutory mandate to monitor for risks to consumers in the offering or provision of consumer financial products or services.<sup>2</sup> In addition, research may be related to the CFPB's statutory mandates related to financial education, including evaluating the effectiveness of financial education programs and understanding financial planning behaviors, including saving and spending behavior.<sup>3</sup>

The data collected for Market Research in the Field are delineated in the research proposal and each data element is collected only when necessary. Where possible, the CFPB will rely on its collaborator or partners to inform the design of the research proposal and relevant data

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<sup>2</sup> 12 U.S.C. § 5512(c).

<sup>3</sup> 12 U.S.C. § 5493(d).

collection, but in some cases it may take a lead role in designing the research proposal. The CFPB and its collaborators or partners share analysis and results, as appropriate, in order to better understand the consumer financial market. The CFPB does not endorse the third parties with which it collaborates or partners.

Where information collected includes direct identifying PII, such information is typically used to facilitate administration of research, for example, to match across datasets or to contact potential recipients of surveys and then use those surveys to solicit information on consumer experiences with consumer financial products and services. Section 1 under “Privacy Risk Management” discusses this in further detail.

### 3. Describe how CFPB shares, for compatible purposes, any of the information with third parties, e.g. federal or state agencies, the general public.

Subject to applicable law, including the Bureau’s confidentiality regulations, 12 C.F.R. Part 1070 and approval process, the CFPB may publish results of Market Research in the Field in peer-reviewed journals and Bureau-published research reports. These reports may be shared with third parties that partner with the Bureau to provide information and/or may be made available to the public. The reports will not directly identify any specific consumers without their explicit informed consent.

### 4. Describe what opportunities, if any, individuals to whom the information pertains have to (a) receive notice regarding the CFPB’s use of the information; (b) consent to such use; (c) access the information that pertains to them; or (d) obtain redress.

When the CFPB receives data solely from third parties, the individual sometimes has limited opportunity to receive notice regarding the CFPB’s use of the information; consent to such use; access the information that pertains to them; or obtain redress. The opportunities are limited because information about the individuals is not collected directly from the individual; and the information is typically stripped of direct identifying PII before the CFPB obtains it, thereby precluding both access to and potential misuse of that information by the CFPB. Market Research in the Field is conducted in accordance with federal law, including, where applicable, the Dodd-Frank Act, the Privacy Act of 1974, the Paperwork Reduction Act, and the Right to Financial Privacy Act.



Prior to collaborating with third parties, the CFPB conducts a due diligence review that includes identifying the scope of the partner(s) or collaborator(s)'s privacy policy or other public disclosures, such as terms of use, that implicate Market Research in the Field collaboration. The objective is to ensure that any applicable legal obligations relative to notice are met and that collaboration on Market Research in the Field does not contradict the partners' publicly disclosed policies. The CFPB also seeks to address privacy issues when designing Market Research in the Field initiatives with third parties. For example, research projects may involve an updated privacy policy, the creations of a Data Release Form, or include signage or additional language in marketing materials.

To minimize the risks associated with notice and informed consent, the CFPB promotes transparency by generally announcing third party collaborations, issuing notices on its website; publishing the results of Field Research; and documenting the program in this PIA.

In some situations, the CFPB, or contractors working on its behalf, may request the voluntary participation of consumers in Market Research in the Field. In such cases, the CFPB ensures all legally required notice requirements are met and that opportunities for notice and informed consent exist.

## 5. Explain the standards and relevant controls that govern the CFPB's—or any third party contractor(s) acting on behalf of the CFPB—collection, use, disclosure, retention, or disposal of information.

The CFPB complies with the Privacy Act of 1974, Right to Financial Privacy Act, and E-Government Act of 2002; voluntarily adopts Office of Management and Budget privacy-related guidance as best practice;<sup>4</sup> and applies National Institute of Standards and Technology risk management processes for privacy.

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<sup>4</sup> Although pursuant to Section 1017(a)(4)(E) of the Consumer Financial Protection Act, Pub. L. No. 111-203, the CFPB is not required to comply with Office of Management and Budget (OMB)-issued privacy guidance, it voluntarily follows OMB privacy-related guidance as a best practice and to facilitate cooperation and collaboration with other agencies.

The CFPB uses the following technical and administrative controls to secure the data and create accountability for the Bureau's appropriate collection, use, disclosure, and retention of the information:

- Audit Logs and Reviews
- CFPB Personnel Privacy Training: Annual privacy training and role-based training
- CFPB Privacy Incident Response and Recovery Plan and contractual obligations for third parties to support CFPB Privacy Incident Response and Recovery Plan
- Compliance with CFPB cybersecurity policy and procedures
- Data Quality and Integrity Checks
- Extract logging and 90-day reviews
- Policy and Standard Operating Procedures: Policies and procedures include, as applicable: Policy on Information Governance at the CFPB, June 3, 2014; [Trial Disclosure Policy](#); [Project Catalyst Submissions](#); management reviews of research projects; and due diligence reviews and an open partner selection process.
- Role-based Access Controls: When necessary, CFPB personnel may segregate data of direct identifying PII prior to use by other CFPB personnel for Field Research purposes
- Federal Committee on Statistical Methodology Government-wide Statistical Standards
- Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies
- Records Schedule Submitted to/Approved by National Archives and Records Administration (NARA): The CFPB will manage computer and paper records as permanent records until NARA approves the CFPB's records disposition schedule, at which time, the CFPB will dispose of such filed in accordance with the schedule. Records that fall under a general records schedule will be disposed of according to the applicable schedule.
- Personnel Security supported through background checks

Further, any publicly released version of the 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.

The CFPB may use contractors to help support the collection, use, disclosure, or retention of information used for Market Research in the Field, and those contractors are subject to similar controls. In some cases, the CFPB may contract with a third party to conduct matching across datasets, such as appending a credit report to a specific financial account, using direct identifying PII, and then submit the resulting data set stripped of direct identifiers to the CFPB. Contractor access to information must occur in accordance with the Bureau's Policy on Information Governance.

Contractors with access to direct identifying PII are required to report suspected or confirmed privacy incidents to the CFPB immediately. Other requirements placed on contractors may include: training on privacy; segregating or redacting direct identifying PII from datasets; submitting or performing the function of a research review board; a prohibition on the re-

identification of individuals from data stripped of direct identifying PII; and compliance with federal privacy requirements and Federal Acquisition Regulations.

6. Discuss the role of third party(ies) that collaborate or partner with the CFPB, if any. Identify any controls used to protect against inappropriate collection, use, disclosure, or retention of information. (This does not include third parties acting on behalf of the CFPB, e.g., government contractors discussed in Question 5.)

For Market Research in the Field, the CFPB only approves proposals, grants permissions, or pursues projects by third parties provided that the proposals meet specified standards and procedures, and that appropriate legal agreements establish roles, responsibilities, and accountability mechanisms. The CFPB retains the right to terminate an agreement to conduct Market Research in the Field at any time. For example, the Bureau's 1032 (e) Trial Disclosure Policy permits the CFPB to revoke a Trial Disclosure Waiver for failure to follow the waiver's terms. If the Bureau does so, the Bureau: (i) will revoke the waiver in writing, specifying the reason or reasons for its action; and (ii) may offer an opportunity to correct any such failure before revoking a waiver.

The third parties that collaborate with the CFPB on Market Research in the Field may only share information with the CFPB that they determine they are legally permitted to provide. Certain restrictions on information sharing with the CFPB are outlined in the Gramm-Leach-Bliley Act, the Right to Financial Privacy Act, and the Fair Credit Reporting Act. Each time the CFPB receives information pursuant to such collaboration, the CFPB evaluates whether the authority exists to receive the specific type of information provided.

# Document control

## Approval

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Ashwin Vasan

Chief Information Officer

Date

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Chief Privacy Officer

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Name

Initiative Owner

Date

# Change control

Version	Summary of material changes	Pages affected	Date of change
1	Initial PIA.	All	12/10/2014