

# Consumer Financial Protection Bureau (CFPB) Usability Testing Report: Model Validation Notice

November 20, 2020

## Executive Summary

### Study Purpose

The Fair Debt Collection Practices Act (FDCPA) generally requires a debt collector to provide a consumer with a validation notice. The Consumer Financial Protection Bureau (CFPB) developed a model validation notice to clearly communicate important information about the debt, a consumer's rights with respect to debt collection, and what actions a consumer can take in response to the notice. Since 2014, the model validation notice has been developed and extensively tested using a variety of qualitative and quantitative approaches. The goal of this round of usability testing was to evaluate the effectiveness of the model validation notice.

### Methods

FMG worked with CFPB to develop a protocol and data collection plan to assess participant understanding of the model validation notice (Appendix F). COVID-19 prevented the planned in-person testing; therefore, FMG conducted pilot tests to determine the feasibility of conducting moderated usability tests remotely using a mailed hard copy of the model validation notice. Both telephone-only and videoconferencing options were explored in pilot testing. The telephone-only option was ultimately determined to be the more effective option for the main testing. FMG ultimately conducted 51 one-on-one usability interviews between October 5 and October 15, 2020 via telephone. Participants were selected based on several criteria related to their debt collection experience as well as demographic and geographic diversity. The interview consisted of questions to evaluate the effectiveness of the model validation notice.

A mixed-methods approach was selected to meet the needs of the testing, which included capturing participant insights in addition to participants' answers to task-based probes asking them to identify certain information about the debt and what actions they could take in response to the model validation notice, including their payment and dispute options. To fully understand whether the model validation notice was effective, insights from open-ended response questions were categorized by common themes while closed-ended response answers to task-based questions were scored to capture the percentage of "correct" and "incorrect" responses. To capture overall understanding, participants were also asked to use a five-point scale to rate how easy or difficult the model validation notice was to understand. Finally, we looked for any differences in the effectiveness of the model validation notice based on whether the participant had experience with debt collection in the last two years and whether the participant had a higher (college degree or more) or lower (less than a college degree) education level.

## Findings

The interviews on the model validation notice highlighted important themes around the clarity and effectiveness of the notice. Two interviews were dropped from analysis due to data quality issues. In total, the data from 49 interviews were analyzed. The key findings for the study are as follows:

- 80% of participants shared positive initial reactions to the model validation notice and indicated that the information was clear and available actions were obvious.
- 88% of participants rated the overall model validation notice clarity as “very easy” or “easy” and no participants rated the notice as “difficult” or “very difficult.”
- 77% percent of participants scored over 90% on task-based questions. On average, participants correctly answered 94% of task-based questions that asked them to identify certain information about the debt and what actions they could take in response to the model validation notice (e.g., to dispute or pay). There were also no differences in scores based on participant debt collection experience or education.
- A small minority of participants (about 16%) shared some confusion about who to contact for information about the debt. While participants understood the end date for disputes, 30% of participants could not describe what would happen if they disputed debt after that date.

## Conclusion

In this research project, we tested whether the model validation notice effectively disclosed debt information and what actions consumers can take in response to the notice. Our findings demonstrate that the model validation notice is clear, easy to understand, and effectively provides consumers with actionable information.

## Introduction

### Validation Notice Background

The FDCPA, enacted in 1977, generally requires a debt collector to provide a consumer with a validation notice.<sup>1</sup> The FDCPA requires validation notices to disclose certain information about the debt and about consumer protections, such as the consumer's right to dispute the debt and to request information about the original creditor. However, validation notices in use today may be confusing or may not be written in plain language that promotes consumer understanding. The CFPB has been working with FMG since 2014 to develop and test a model validation notice to clearly communicate key information about the debt and about how consumers can respond to the notice.<sup>2</sup>

Over the years, CFPB has conducted extensive mixed-methods research with a range of geographically and demographically diverse consumers to comprehensively test the effectiveness of the model validation notice. This research has been used to refine the model validation notice. In October 2020, FMG conducted usability testing to evaluate the effectiveness of the model validation notice.

### Study Purpose

To supplement the extensive testing already conducted, the purpose of this 2020 usability testing effort was to evaluate the effectiveness of the model validation notice in disclosing information about the debt, consumer rights with respect to debt collection, and what actions a consumer could take in response to the notice. Interviews were conducted with consumers as they interacted with the paper model validation notice in their homes.

### Report Layout

This report provides an overview of the research effort and findings in the 2020 usability testing. In the first section, we discuss our approach to developing and testing research instruments, conducting interviews, and analyzing data. In the next section, we detail our integrated findings from the qualitative and quantitative components of the interview data. We then discuss how the findings provide evidence of the effectiveness of the model validation notice, while acknowledging certain limitations with the current study. In the final section, we conclude the report with information on the implications of these findings.

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<sup>1</sup> See 15 U.S.C. 1692g(a).

<sup>2</sup> See generally Fors Marsh Grp., *Debt Collection Validation Notice Research: Summary of Focus Groups, Cognitive Interviews, and User Experience Testing* (Feb. 2016), [https://files.consumerfinance.gov/f/documents/cfpb\\_debt-collection\\_fmg-summary-report.pdf](https://files.consumerfinance.gov/f/documents/cfpb_debt-collection_fmg-summary-report.pdf).

## Methods

FMG worked with CFPB to develop a research plan that best answered key research questions about the usability of the model validation notice. In this section, we detail the development of the moderator guide, recruitment, pilot testing, data collection, and analysis.

### Moderator Guide

FMG developed the moderator guide in consultation with CFPB. This testing aimed to determine whether the model validation notice effectively conveys important information about a debt, information about consumer protections with respect to debt collection, and what actions a consumer can take in response to the notice. The final guide focused on task-based probes to determine whether participants were able to identify certain information about the debt and what actions they could take in response to the model validation notice, including their payment and dispute options. The final moderator's guide was divided into five sections: (1) initial reactions and behavioral intentions, (2) debt information and payment, (3) additional options, (4) disputing debt, and (5) follow-up questions.

The final moderator guide (Appendix A) was approved by CFPB's project team and Data Intake Group (DIG) as well as the Office of Management and Budget (OMB).

### Recruitment

FMG partnered with the nationwide panel from FieldGoals.US to recruit a targeted sample for the testing. FieldGoals used CFPB-approved language to recruit participants for the study. The recruitment language (Appendix B) outlined the high-level details of the study, including that the one-on-one telephone interviews were about finances and would last 45 minutes. It also informed the panelists that participants would receive an honorarium of \$75.

Interested panelists were sent an OMB-approved screening questionnaire (Appendix C) to determine their eligibility. Panelists who met screening criteria were contacted to schedule the date and time of their remote moderated usability test. They were then sent the OMB-approved electronic informed consent form (Appendix D), which explained the purpose of the study as well as any associated risks or benefits to the participant, for their signature.

Participants were selected based on several criteria, including debt collection experience (i.e., those with and without debt collection experience in the past two years). Of those who had experienced debt collection in the past two years, participants were selected to obtain a mix of the number of times they were contacted by a debt collector, the type(s) of debt they were contacted about, and who they were contacted by (e.g., original creditor, attorney, collection agency). Also, although most participants selected were "reasonably certain" or "uncertain" the debt was theirs, some participants who were "reasonably certain" the debt was *not* theirs were also selected.

FieldGoals also selected participants to ensure demographic and geographic diversity representation, including a mix of race, ethnicity, education level, and income. Finally, all participants had to be aged 18 or older.

See Table A on page 6 for a demographic breakdown of the participants.

*Table A: Demographic Breakdown of Participants*

Sex	
Male	26
Female	23
Age	
18-24	8
25-34	9
35-44	9
45-54	8
55-64	8
65+	7
Ethnicity	
Hispanic	6
Not Hispanic	43
Race*	
American Indian/Alaskan	0
Asian	3
Black or African American	7
Native Hawaiian	1
White	31
Other	2
Race not reported	6
Education	
Less than High School	1
High School Graduate or GED	10
Technical or Vocational School	5
Some College, no degree	10
College Degree	19
Post-graduate Degree	4
Debt Collection Experience In The Past Two Years	
Yes	32
No	17

\*Participants were able to select more than one race.

## Data Collection

Before the advent of the COVID-19 pandemic, FMG had planned to conduct the usability testing in person. However, pandemic safety measures still in place in most states necessitated a pivot to remote testing, requiring participants to have access to a telephone or Voice over Internet Protocol (VoIP) to participate. Below, we outline the details of data collection, including pilot testing.

### Pilot

Before conducting the main study, FMG conducted nine pilot tests with a publicly available version of the model validation notice to test the feasibility of conducting moderated usability tests remotely using a mailed hardcopy of the model validation notice.<sup>3</sup> Both telephone-only and videoconferencing options were explored. The pilot also allowed us to evaluate the procedural aspects of administering the interview test over the phone before the main study.

Participants were mailed the publicly available version of the model validation notice in advance of the interview and were not provided instructions on when to view the notice (i.e., during the interview or before). To test the feasibility of both video and telephone interviews, participants were pre-assigned to video and audio interviews. Both groups used WebEx teleconferencing software.

Of the participants who were assigned to video interviews, several experienced connectivity issues, which led to delayed interview start times and participants having to call in to the interview. Bandwidth issues also prevented some observers from being able to see participants even when their video was working properly. Further, the participant's room lighting or camera angle sometimes made it difficult for observers to capture any non-verbal cues. There were no notable issues for participants who attended telephone-only interviews. This led to the decision to move forward with telephone-only interviews in the main study.

The experiences in the pilot test also prompted a few changes to streamline the moderator guide and the procedural elements before launching the main study. For example, the pilot test revealed that participants who waited to view the model validation notice until the interview provided more substantive and spontaneous initial reactions than those who viewed it before the interview. For the main study, participants were instructed to wait to view the model validation notice until asked to do so in the interview.

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<sup>3</sup> FMG used the model validation notice that CFPB published in its Notice of Proposed Rulemaking to implement the FDCPA. See 84 FR 23274 (May 21, 2019).

Finally, in addition to testing the moderator guide, members of the FMG research team used the pilot test to refine their note-taking techniques for the main study and to inform the creation of the analysis plan discussed on page 7.

## Interviews

Between October 5 and October 15, 2020, FMG conducted 51 one-on-one usability interviews over the phone with individuals who had a variety of debt collection experiences, including those with and without debt collection experience in the past two years. Each session was approximately 45 minutes in duration. Each session was managed by one moderator and one note-taker. All moderators have several years of experience conducting qualitative research interviews. WebEx teleconferencing software also allowed the ability to include observers from the FMG and CFPB teams.

Before the interview, FieldGoals sent participants a package via FedEx (with tracking), which included the hard copy PRA statement (Appendix E), the model validation notice (Appendix F), and a self-addressed envelope to return the validation notice to CFPB. The model validation notice was included in a separate, sealed envelope that instructed participants not to open the validation notice until asked to do so during the interview. Before the interview, participants were also reminded of the date and time of their interview and were provided the WebEx call-in connectivity information.

At the start of each interview, participants were reminded that their participation was voluntary, that their information will be kept confidential, that there may be people observing the session, and that the session will be audio-recorded. Before beginning the interview, participants were asked to confirm they had the model validation notice close by and that they were in a safe location to conduct the interview. Once the recording was started, participants were asked comprehension questions in five key sections to determine whether the notice performed as expected. The five key sections were: (1) initial reactions and behavioral intentions, (2) debt information and payment, (3) additional options, (4) disputing debt, and (5) follow-up questions.

Upon completion of the interview, moderators reminded the participants to use the self-addressed envelope included in their FedEx packet to return the model validation notice to CFPB.



## Analysis

### Overview

CFPB and FMG developed an analysis plan based on the results of the pilot test (Appendix G<sup>4</sup>). Given the inclusion of both closed- and open-ended responses, CFPB and FMG adopted a mixed-methods approach. Task-based questions with clear correct and incorrect answers were considered closed-response. For these questions, the analysis team wanted to determine that participants demonstrated understanding of a core task or concept by correctly responding. We also included a closed-response rating question as part of this section. Open-ended questions were focused on capturing participant impressions, sentiments, and reactions to the model validation notice. We used qualitative analysis for these questions because they were focused on key themes rather than binary correct/incorrect responses. The section below identifies the analysis process used to extract and synthesize key information from the data.

### Qualitative Data

The qualitative analysis was conducted using the open-ended questions from the interviews focused on impressions and reactions to the model validation notice. The answers to these questions often touched on multiple core topics including clarity, level of information, and actions that the participant could use to confirm the debt was accurate, genuine, or theirs. FMG and CFPB started the analysis process by developing a coding structure based on the pilot and anticipated themes. The coding structure was used to organize qualitative data into key categories of interest. After developing the coding structure, researchers tested consistency in assigning codes to determine inter-rater reliability. Two researchers each independently coded interview notes within NVivo, a data analysis computer software package, using the aforementioned coding structure. Statistical tests confirmed that there was sufficient agreement between the two researchers' coding decisions to move forward with the analysis of the coded information.<sup>5</sup>

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<sup>4</sup> The analysis plan in the appendix was approved by FMG and CFPB on September 24, 2020. Minor changes were made to the analysis after the creation of this plan.

<sup>5</sup> We used percent agreement, Cohen's kappa ( $\kappa$ ), Krippendorff's alpha ( $\alpha$ ), Fleiss' kappa ( $\kappa$ ), or Pearson's  $r$  ([http://andreaforste.net/McDonald\\_Reliability\\_CSCW19.pdf](http://andreaforste.net/McDonald_Reliability_CSCW19.pdf)). Our coders received a score of .74 in the kappa coefficient based on coding across the three documents, which is considered a substantial level of agreement.

(<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3900052/#:~:text=Cohen%20suggested%20the%20Kappa%20result,1.00%20as%20almost%20perfect%20agreement>)

After analysts coded all the open-ended questions, they ran queries (e.g., word frequency and multiple codes) to extract key information related to key themes. Key themes were identified based on whether the comments were recurring versus outliers. Analysts reviewed the results of queries to systematically determine prevailing themes within and across questions, write brief findings memos for each theme, and draft results.

### Quantitative Data

The quantitative analysis was conducted using the closed-ended responses from the interviews. These questions were focused on determining the ability of participants to extract key information from the model validation notice. As such, they were constructed to have a clear correct response. The answers were used to develop scores for each content section as well as an overall content understanding score for each participant using the rubric in Table B below. We used this information to calculate scores to highlight specific trends across content areas and tasks.

*Table B. Quantitative Scoring Rubric*

Section	Score	Percentage
Debt Information and Payment	X/11	X/11 (*100)%
Disputing Debt	X/3	X/3(*100)%
Total	X/14	x/14(*100)%

There was one additional quantitative section of the interview, which focused on ease of understanding information in the model validation notice. Participants were asked to use a five-point scale to rate how easy or difficult the model validation notice was to understand. For this section, we analyzed ratings and provided percentage breakdowns for each response.

Across the qualitative and quantitative data, we also looked for any differences based on participants' experience with debt collection (some experience in the past two years vs. none) and education (higher education vs. lower education). Combined, the qualitative and quantitative data provided a comprehensive picture of the performance of the model validation notice.

### Findings

The mixed-methods findings from the study provide evidence for the effectiveness of the model validation notice. Our analysis looked at subgroups based on debt collection experience and education. Although scores on the quantitative section demonstrated no difference between these subgroups, participants with debt collection experience provided additional insights during the qualitative response section into their past experience with the debt collection process. Below we detail participants' insights from open-ended responses

and the scores for the task-based questions. Two interviews were dropped from analysis due to data quality issues. In total, the research team analyzed data from 49 participants.

## Qualitative Insights

### Initial Thoughts and Purpose

At the beginning of the interview, participants were asked about their initial impressions of the model validation notice and the purpose of the model validation notice.

Participants described the model validation notice as “clear,” “straightforward,” concise,” and “to the point.” Further, many participants with prior debt collection experience commented that the model validation notice was “different” than other validation notices they had previously received, citing that the notice provided options to dispute the debt and did not include threatening or intimidating language. One participant even commented that it was not written in a “we’re trying to ruin your life kind of way.” Another described it as less “ominous” than other debt collection letters they had received. In terms of the purpose of the model validation notice, participants expressed in various ways that the notice was “trying to collect a debt” owed and provided options for ways to respond. Or, in the words of one participant, “They want their money and they are asking me what I want to do about [it].”

As part of their initial impressions, about 25% of participants indicated that they would have some concerns about whether the model validation notice was legitimate. Most of these participants would confirm the debt is accurate before responding. Although participants did not always clarify what made them wary, a few participants commented that they had some concerns that the model validation notice came from a third-party debt collection agency rather than the original creditor. Others had concerns simply because they did not recognize the debt collector or because they were generally wary of anyone asking them for money, noting, “Anyone can send you a letter like this.” Finally, one participant wanted to “look into” the model validation notice because they found it too “generic looking.”

### *Suggestions*

Most participants found the model validation notice understandable and believed that it clearly disclosed their options to respond to the notice. About 30% of participants provided suggestions or improvements. Some participants recommended adding contact information into the section “How can I dispute this debt?” as well as under “What else can I do?” A few participants also commented that they expected the contact information in the upper-left corner to be bolded. One participant also noted that the [consumerfinance.gov](https://consumerfinance.gov) information should be bolded.

There were a few other relevant suggestions around the inclusion of additional information. One participant suggested including a link to an online payment option. The same participant also said that it would be helpful if the model validation notice included some

reasons why a person might want to dispute the debt. Another participant was hoping to see a breakdown of credit card charges.

### Response to the model validation notice

Participants were also asked what they would do in response to the model validation notice after reviewing it and whether they had the information needed to make a decision about what to do next.

Most participants found that there was sufficient information on the model validation notice about what actions they could take in response to the notice. Participants reported that the model validation notice disclosed they had the ability to pay all or a portion of the debt, contact the debt collector (North South Group), dispute the debt, and learn more about their rights under Federal law.

About 50% of participants reported that they would confirm the debt in response to receiving this model validation notice. To confirm the debt, participants reported that they would contact the entities listed on the notice, i.e., North South Group or Bank of Rockville, or would “Google” them to verify their legitimacy. They also reported that they would verify with their own records to determine whether they recognized the debt. Finally, a few respondents said that they would do nothing and wait to see if the North South Group sent a second letter. They justified this by saying that if it were a legitimate debt, then they would continue to try and contact them in order to get their money.

Those who would contact North South Group typically would opt to call to confirm the amount owed, the amount they previously paid, and the amount of interest and fees added to the account. Others reported that they would visit the North South Group website to confirm the debt using the account number provided in the model validation notice. Those who reported that they would contact Bank of Rockville expected to be able to confirm that North South Group was a legitimate debt collection agency.

### Consequences of Not Responding

When asked about whether they must legally respond to this model validation notice, participants overwhelmingly (about 90%) reported that they did not believe they were legally required to respond. Participants who did not believe they had to respond cited a lack of “legalese,” that the letter was not sent as a registered letter or through certified mail, that there was no “threatening” language, and that the model validation notice was not sent from a lawyer or law office.

However, when asked about what might happen if they ignored the model validation notice and did not respond, participants speculated that they would receive additional letters, calls, and emails. They also believed that fees and interest rates would continue to increase, that their credit scores would be negatively impacted, that legal action could be taken against

them, and that the debt would continue to circulate to different collection agencies. One participant said, “If a person ignores this, it’s not going to get better, it’s going to get worse.” Participants with prior debt collection experience offered additional insight about what they thought would happen based on previous experience. They thought that this model validation notice, which they believed to be their first notice, would have minimal consequences and that they would set it aside or ignore it.

### **Payment options based on the model validation notice**

During the interview, participants were asked questions about payment options based on the model validation notice. The vast majority of participants (about 80%) said they would contact North South Group by phone, website, email, or writing to explore payment options. Like many participants, one participant succinctly explained, “It just says, ‘Contact us for payment options’, so I would just write to the North South Group.” This participant noted that on other forms they receive, the payment options are typically listed without them having to contact someone. Only a few said they would contact Bank of Rockville and some were unsure based on the model validation notice. One participant simply said, “I would contact my bank.” Echoing a similar sentiment to the aforementioned participant about expecting more information on the form about payment options, this participant added, “Would be more helpful to have more written about payment options on the form.” Those that were unsure of their options said things like, “It doesn’t say payment options” or “It just says contact us about payment options. There’s nothing else on here regarding options.”

### **Beliefs About Interest and Fees**

Participants were also asked about whether they thought interest and fees were continuing to increase. Many participants assumed that it would continue to increase based on general knowledge rather than the form itself, with sentiments like, “I assume they are because that would be typical for interest and fees to continue” and “I don’t know. I’d have to guess yes based on what I know about interest.” These participants noted that the model validation notice, however, does not specify whether they would increase. Others were uncertain whether it would increase, also noting the model validation notice does not explicitly say. However, a few participants said they thought it would continue to increase based on the current interest and fee accumulations in the model validation notice. One said, “It would increase because it went up on the form so that tells me it’ll go up as time goes on.” Another participant who had the same interpretation elaborated, “There is no way to tell when or what rate interest and fees are increasing.”

### **Consumer Rights**

When asked about whether they could find information about stopping or limiting contact and where they could find it, participants were evenly divided on whether they would contact North South Group or go to the provided CFPB website. One participant explained, “I guess I could go to [consumerfinance.gov](https://consumerfinance.gov) and learn more about my rights to have them stop contacting me.” They added, “I am confident [I could do that], according to this paper.”

However, about 10% of participants, stated that they did not see information on the model validation notice explaining that they could stop debt collectors from contacting them.

To find information about debt collection in general, the vast majority of participants said that they would go to the provided CFPB website. A handful mentioned that they would simply Google it and a few others mentioned that they would contact North South Group. Only a couple of respondents noted they were unsure about how to learn more about debt collection in general. One participant explained, “I don’t see anywhere on this form that tells me I can do that, [but] I could Google [it].”

### Disputing the Debt

Testing suggested potential comprehension issues related to the information in the “How can you dispute the debt?” section. The two primary areas where this occurred were: the significance of the August 28 date, and what differences there are, if any, if a consumer calls versus writes to dispute.

#### *The Significance of August 28*

Most participants (almost 90%) accurately understood what would happen if they wrote North South Group before August 28 (the end date for the dispute window). Citing the model validation notice, they said North South Group would stop the debt collection until sending information showing that they owe the debt. However, the remaining participants were unclear what might happen.

About 40% of participants said they could still dispute after August 28, with one participant explaining that August 28 was an “arbitrary date.” About 20% said that they could not write to dispute after August 28, explaining that it would be “too late” and that the August 28 deadline is “very clear.” The remaining participants were unclear what would happen if they wrote to dispute after August 28. Those who said they could write after August 28 were not always sure whether North South Group would accept their dispute. One participant said, “I think you’re permitted to. They can’t stop me from writing, it’s just whether they accept it or not,” which was a sentiment shared by several participants. Another participant said that, “They may possibly offer some leniency.”

Participants were also asked about whether North South Group would be required to send information saying they owe the debt if they wrote to dispute after August 28. Participants were divided on this issue. A small majority assumed that North South Group would be required to send that information, reasoning that North South Group would need to prove

that they owed the debt.<sup>6</sup> Others assumed North South Group would not be required to send the information, and some were unsure, noting that the model validation notice did not specify.

Participants expressed uncertainty about how the debt collection process would proceed if they wrote to dispute after August 28. However, the majority of participants said they thought that the debt collector would assume the debt was correct after August 28. Further, most participants assumed that the debt collector would continue collecting the debt. Two participants said that they would not have to pay the debt if they wrote after August 28.

### *Calling Versus Writing to Dispute*

Upon being asked about what differences, if any, there were between calling and writing to dispute, participants tended to focus on the perceived benefits of using either method. They anticipated that calling would yield faster results than writing, but the benefit of writing would mean a paper trail of correspondence. Most participants (about 55%) said that they believed disputing via phone call would function the same as writing to dispute. Further, they specified that they thought North South Group would be required to send information stating they owed the debt whether they wrote or called. Although participants did not elaborate, these thoughts appeared to be assumptions rather than information extrapolated from the model validation notice. Only four participants commented that they thought calling would function differently but did not articulate how they thought it would be different. Participants who were unsure whether there might be any differences between writing or calling to dispute clarified that this was because the model validation notice did not specify.

### **Quantitative Analysis**

In total, 14 task-based questions from the moderator guide were used for quantitative analysis. These questions asked about specific information contained in the model validation notice. This approach was meant to identify whether participants were able to identify and understand key pieces of information from the model validation notice. Participant scores ranged from 79% accurate to 100% accurate, with an average score of 93.8% on the model validation notice questions. In addition to task-based questions, there was one question that asked for a numeric rating on how easy the notice was to understand.

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<sup>6</sup> That a small majority of participants believed that North South Group would be required to send information appears inconsistent with the finding that only 40 percent of participants thought they were permitted to “dispute” after August 28. This discrepancy may be partly explained by participants’ idiosyncratic understandings of the word “dispute,” which may differ from that term’s definition and a debt collector’s associated legal duties under the FDCPA.



## Debt Information and Payment

Participants were asked to use the model validation notice to identify specific information about the debt and their payment options. In total, 11 of those questions were quantitatively scored.

As seen in Table C below, participants demonstrated a clear understanding of the content related to the current amount due, the amount originally owed, the amount that has been paid on the debt, and the amount of fees and interest applied, among other items. Only two items scored less than 90%: (1) who to contact if they wanted more information about their debt, and (2) when a payment had been made. Those that incorrectly answered about who they could contact typically opted to contact Main Street Department Store or Bank of Rockville instead of the debt collector, North South Group. While some participants did not specify why they would contact someone other than North South Group, some participants specified that they wanted to contact the “originator” of the debt. Elaborating further, one participant explained that North South Group is the debt collector; they are not the “real people” you owe the debt to. Regarding when a payment had been made, more than 50% of participants, some of whom noted the provided date range, reported that an exact date was not provided.

*Table C. Debt Information and Payment Questions*

	Question*	Score
1	Does the amount you owe include any interest? How much?	100%
2	Does the amount you owe include any fees? How much?	100%
3	Have you made any payments on the debt? How much?	100%
4	How much did you originally owe on January 2, 2017?	100%
5	What is your account number?	98%
6	Who should you send the payment to?	98%
7	How much do you owe on this debt as of today?	98%
8	Explain how you could send the payment.	96%
9	What kind of debt is this?	94%
10	If you wanted more information on the debt, who could you contact?	84%
11	When were the payments on the debt made?	71%

\*Questions above are provided in score order rather than the order in which they were presented in the interviews.

## Disputing Debt

Participants were asked about their options for disputing their debt. In total, three of those items were coded quantitatively and are listed in Table D.

In general, participants correctly understood that they could dispute the debt by calling North South Group, writing North South Group with or without the tear-off form, and disputing electronically. Those who did not understand what next steps they should take



either answered “I don’t know” or opted to contact someone other than North South Group (e.g., Bank of Rockville or Main Street department store).

*Table D. Disputing Debt Questions*

	Question	Score
1	If you think the debt does not belong to you, what can you do?	100%
2	What could you do if you recognize the debt as one you owe, but some of the information about the debt is incorrect?	90%
3	What could you do if you’re not sure whether or not you owe the debt?	86%

### Overview of Understanding

Participants were asked to rate on a 5-point scale how easy or difficult the model validation notice was to understand. Eighty-eight percent of participants reported that the model validation notice was either “very easy” or “easy” to understand. No participants reported that it was “difficult” or “very difficult” to understand.<sup>7</sup>

*Table E. Model Validation Notice Difficulty Ratings*

Rating	Number of Participants	Percentage
Very Easy	24	49%
Easy	19	39%
Moderate	6	12%
Difficult	0	0%
Very Difficult	0	0%
Total	49	100%

When asked to elaborate on their score, most participants said that the content of the model validation notice was clear, and some positively commented about the number of options they could take using the information from the notice. Additionally, some participants positively commented on the layout and organization of the model validation notice. While a few participants said that they needed to “look around a bit to find the answers,” they did not mention that this was a barrier or hindrance.

### Discussion

The vast majority of participants answered all closed-ended questions correctly, and qualitative insights confirmed participants understood their options for how and when to

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<sup>7</sup> About half of the participants were asked this item upon their initial review of the model validation notice while the other half were asked upon completion of the interview. This did not have any effect on the ratings.

respond. Additionally, participants overwhelmingly felt that the model validation notice was “very easy” or “easy” to understand (almost 90%). There were a couple of relevant themes tied to a few areas of minor confusion for some participants: the number of actors on the model validation notice and the significance of the August 28 date listed in the section about disputing.

When asked about who to contact for information or to take certain actions, a small minority of participants expressed confusion over who on the model validation notice to contact (i.e., North South Group, Bank of Rockville.) It was clear that some participants had trouble deciphering which actor was the point of contact for key actions like learning more information about the debt and disputing the debt.

A large majority of participants accurately answered closed-ended questions around disputing (86%-100%, see Table D) and learning more information about the debt (84%, see Table C). Also, nearly all participants understood that if they wrote North South Group before August 28, then they would stop the debt collection until sending information showing that they owe the debt.

To get an understanding of participants’ interpretations of the model validation notice, there were also some questions that asked about information that is not listed on the notice. The insights from these questions are included in the qualitative section of the report. When asked questions about disputing *after* the August 28 date, for example, many participants did not know what would happen if they disputed the debt after that date, as the model validation notice does not explicitly answer that question. Several participants believed that they could contact the debt collector after the August 28 date, but were unsure of what the response would be.

## Conclusion

In this study, we set out to evaluate the effectiveness of the model validation notice by asking participants to navigate the notice and share their insights. We analyzed data from 49 one-on-one interviews using the model validation notice and a structured protocol. Participants were asked both closed- and open-ended responses to facilitate a mixed-method approach to analysis. Our findings demonstrate that the model validation notice is clear, easy to understand, and effectively provides actionable information.

Although there were a few questions from a minority of participants about the significance of the August 28 date meant to represent a 30-day window to dispute and who to contact for more information, these were infrequent cases. The majority of participants knew who to contact for information and the deadlines associated with the model validation notice.

Participant scores ranged from 79% accurate to 100% accurate, with an average score of 93.8% on the model validation notice questions about the debt, payment options, and the

dispute process. There were no differences between the scores based on level of education or debt collection experience. This finding provides evidence that potential consumers will likely understand the model validation notice similarly.

## Appendices

Appendix A: Moderator Guide

Appendix B: Recruitment language

Appendix C: Screening questionnaire

Appendix D: Informed consent

Appendix E: PRA statement

Appendix F: Model validation notice

Appendix G: Analysis Plan

# Debt Collection Model Validation Notice Qualitative Testing Moderator's Guide

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## Section 1: Introduction

Thank you for participating in this interview today. My name is \_\_\_\_, and I am with Fors Marsh Group, which is a private market research firm based in Arlington, Virginia. We are helping the Consumer Financial Protection Bureau gather information that will help the government understand how financial companies interact with consumers.

Today, we will be evaluating a notice that consumers may receive from debt collectors. I will ask you a series of questions about the notice, so I can learn what works well on the notice and what, if anything, may need to change. Our goal is to make this notice as clear as possible for people like you who may receive it.

Today's session will last about 45 minutes.

There are a few things to cover before we get started:

- Your participation today is voluntary. If there are any questions you do not want to answer, please let me know, and we will move past them. It is also OK if you would like to stop at any point during today's session.
- Everything we talk about here will be kept confidential. That means your name will not be associated with anything you say in our reports.
- As a reminder, there are no wrong answers today. I did not create the notice, so please do not feel like you have to hold back on your thoughts to be polite to me. This is a test of how well the notice is working. It is not a test of your skills or abilities.
- There are some people who are involved in the project listening to the session today. We are also audio recording the session today. After our discussion, I will write a report and will refer to the recording to make sure that I accurately represent what was said. Even though people are observing, I want to reiterate that there are no wrong answers and that we are here to learn from you, so please feel free to speak candidly.
- To understand your thoughts and reactions as you review the forms, I would like you to think out loud as you are reviewing the notice and answering questions. I recognize that talking out loud while performing a task may be unusual, so I may give you reminders throughout the session.

Do you have the envelope we sent you close by? [IF NOT ACCESSIBLE, ASK TO RESCHEDULE.]

Did you have a chance to look at the privacy act statement included in that envelope? Did you have any questions about that document?

Do you have any questions before we get started?

Okay, I am going to start the recording.

## Section 2: Paper Version of the Validation Notice

[Section 2 Purpose: Validate that the notice is performing as expected. The introduction to Section 2 informs the participant that the debt is their own to reduce participant ambiguity in how to respond. Subsection 2D informs the participant that the debt is not believed to be their own to assess the performance of the dispute language.]

Available additional probes to use throughout Section 2:

- Can you describe how you arrived at that answer?
- How did you arrive at that response?
- What makes you say that?
- Tell me more about that.]

Okay, let's imagine that you are at your home or office and you are going through your mail. In this scenario, your name is [insert name on model validation notice] and you owe the debt in the envelope we sent you. Please open up the envelope we sent you and review the notice. When you are done, tell me that you are finished.

### Section 2A: Initial Reactions and Behavioral Intentions

[Section 2A Purpose: Validate that consumers have the information needed about the options available to them for proceeding. We assess initial reactions and intended behavior before additional questions are asked about specific language that may bias participants' reported intended behavior.]

Section 2A Research Questions: (1) How effectively does the validation notice perform in providing the information consumers need to make a decision about how to proceed? (2) How effectively does the validation notice perform in communicating consumers' options about how to proceed?]

First, I would like to ask you a few questions to understand your initial reactions to the notice.

2A.1. What are your initial thoughts about the notice?

a. What is the purpose of the notice?

2A.2. What would you do, if anything, in response to this notice? [pause and wait for them to answer]

a. With that in mind, how easy or difficult is it to do that next step using this notice?

b. [Continue as necessary] What would you do after that step?

c. Do you feel that you must legally respond to this notice? [If necessary] In other words, is a response to this notice mandatory? What makes you say that?

- 2A.3. Do you have the information you need to make a decision about what to do next?
- a. What information leads you to say that?
  - b. [If necessary] What are your options for what you can do next?
- 2A.4. What do you think would happen if you ignored this notice and did not do anything? Tell me more about that.

## Section 2B: Debt Information and Payment

[Section 2B Purpose: Assess the performance of the information presented to consumers about debt information and payment by probing consumers' comprehension.]

Section 2B Research Question: (1) How effectively does the notice communicate key information about the debt and payment options to consumers? (2) How noticeable is information about the debt and payment options?]

Now, I would like to ask you a few questions to understand how well the notice communicates information about the debt. It is perfectly fine to say, "I don't know" if you do not think you can answer the question. As a reminder, this is not a test of your skills or abilities. We are interested in how the form is performing.

- 2B.1. If you wanted more information about the debt, who could you contact?  
[Answer: North South Group, contact info in top left.]
- a. Please explain how you could receive more information about the debt.
  - b. [If needed] Where did you find their contact information?
  - c. What do you think would happen next if you contacted them?
- 2B.2. What kind of debt is this? [Answer: Department Store Credit Card/credit card debt] What makes you say that?
- 2B.3. According to the notice, how much do you owe on this debt as of today?  
[Answer: \$2,284.56]
- 2B.4. Does the amount you owe include any interest? If so, how much? [Answer: \$75]
- 2B.5. Does the amount you owe include any fees? If so, how much? [Answer: \$25]
- 2B.6. Have you made any payments on the debt? If so, how much have you paid? When? [Answer: \$50, between Jan 2, 2017 and today]
- 2B.7. According to the notice, do you think interest and fees are continuing to increase? What makes you say that?



- a. Prompt if needed: that is, will you owe more fees tomorrow than you did today?
- 2B.8. According to this notice, how much did you owe on January 2, 2017? [Answer: \$2,234.56]
  - a. [If necessary] Is there any information on the notice that speaks to that?
- 2B.9. What is your account number with the company that extended you the credit? [Answer 123-456-789]
- 2B.10. Who should you send the payment to? [Answer: North South Group]
  - a. Please explain how you could send a payment. [Answer: send check to North South Group with the reference number 584-345]
  - b. [If needed] From what information on the notice did you learn that you can send a payment?
- 2B.11. Based on what you see in this notice, what, if anything, could you do if you are interested in payment options? Tell me more about that. [Answer: Third bullet under What Else Can You Do – contact NS Group for payment options.]

## Section 2C: Additional Options

[Section 2C Purpose: Assess the performance of the information presented about what else consumers can do in response to the notice.]

Section 2C Research Question: (1) How effectively does the notice present key information about additional options available to consumers and their associated rights with these options?]

Now, I would like to ask you some questions to understand whether the information presented about additional options available to you is clear. It is perfectly fine to say, “I don’t know” if you do not think you can answer the question.

- 2C.1. If you wanted the debt collector to stop or limit contact with you, could you do that? [Answer: yes] Tell me how you arrived at that answer. [Answer: Go to [www.consumerfinance.gov](http://www.consumerfinance.gov), under learn more about your rights under federal law]
  - a. If you wanted more information about limiting contact, could you get it? Where could you look for that information? [Answer: Go to [www.consumerfinance.gov](http://www.consumerfinance.gov), under learn more about your rights under federal law]
- 2C.2. What could you do if you wanted more information about debt collection in general? [Answer: Go to [www.consumerfinance.gov](http://www.consumerfinance.gov), under learn more about your rights under federal law]

- a. Please explain how you could receive more information about debt collection in general. Where on the notice did you find that information?

## Section 2D: Disputing Debt

[Section 2D Purpose: Assess the performance of the information presented about disputing the debt. In this scenario, the moderator informs the participant that they do not believe that the debt is theirs.]

Section 2D Research Question: (1) How effectively does the notice present key information about disputing the debt and their associated rights with this activity?]

In this next scenario, let's say that you received this notice, but you think that you do not owe the debt. It is perfectly fine to say, "I don't know" if you do not think you can answer the question.

2D.1. If you think the debt does not belong to you, what can you do? [Answer: Call or write]

- a. Please explain how you could respond if you think the debt does not belong to you. [If needed] Could you dispute the debt? Where on the notice did you find that information? [Answer: Send form back with dispute the debt selections, write without the form, call the 800 #, dispute electronically at [www.NorthSouthGroup.com/dispute](http://www.NorthSouthGroup.com/dispute), or ask for the name of the original creditor at [www.NorthSouthGroup.com/request](http://www.NorthSouthGroup.com/request)]
- b. What happens if you write to dispute before August 28th? [Answer: They will stop collection until sending information saying you owe the debt]
- c. What about if you write after August 28th? Do you think the debt collector would be required to send you information showing you owe the debt or not? [Answer: They will not be required to send that information.]
- d. Would you be permitted to write to the debt collector after August 28th if you do not think you owe the debt? [Answer: yes]
- e. What happens if you call to dispute? [Answer: They will not be required to send information saying you owe the debt.]
- f. Is there a difference in what happens if you write or call to dispute?
- g. [If needed] Could you use this form to write in to dispute? How could you do that?

- 2D.2. What could you do if you recognize the debt as one you owe, but some information about the debt is incorrect? **[Answer: Dispute that debt [Or call or email – again, this is situation dependent, especially if the consumer doesn't want to stop collection activity but just wants more info] and explain what about the debt is incorrect]**
- a. Please explain how you could respond if you recognize the debt as one you owe, but some information about the debt is incorrect. Where on the notice did you find that information?
- 2D.3. What could you do if you are not sure whether or not you owe the debt? **[Answer: Contact North South Group, Dispute the Debt, Ask for the name/address of the original creditor]**
- a. Please explain how you could respond if you are not sure whether or not you owe the debt. Where on the notice did you find that information?

## Section 2E: Follow-up Questions

[Section 2E Purpose: Assess the overall performance of the validation notice by probing about consumers' experience reviewing different sections. The moderator will ask these questions while highlighting verbally any areas of interest.]

Section 2E Research Questions: (1) How noticeable are the different sections of information on the notice? (2) Is there any information that is confusing or unclear to consumers?]

Next, I would like to ask you some questions to understand how noticeable the information was on the notice.

- 2E.1. [Moderator to point out anything on the notice not previously discussed.] Did you notice this section of the notice?
- a. On a five-point scale, one being very easy and five being very difficult, overall would you say this form is easy to understand or difficult to understand?
    - i. Follow-up – What is particularly clear if high rating? What is particularly confusing if low rating?

## Section 3: Closing

Thank you so much for coming in today. We are all done. Those are all the questions I have for you. We really appreciate your time and participation today. Can you find the stamped envelope for us and return this form we've been talking about? Thank you very much.

## Recruitment Language

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### Seeking Adults for an Interview Regarding Finances

We are currently recruiting adults ages 18 or older to participate in a one-on-one remote interview about finances.

The one-on-one interview will last 45 minutes, and participants will receive an honorarium of \$75. The interview will take place by telephone. We are currently scheduling participants for [DATE]. This interview project is being sponsored by the Consumer Financial Protection Bureau (CFPB), a Federal Government agency that was created to help consumers.

If you are interested in participating, please contact us at [contact info]. We will ask you to complete a short screener, and we will notify you if you qualify to participate in an interview.

Thank you!

## Screener

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### Initial Screener

Thank you for your interest in participating in a remote interview. We are seeking participants for a one-on-one remote interview about credit and debt collection. Please note that the information you provide is completely anonymous. Any opinions or comments you give will not be shared with any debt collectors, attorneys, collection firms, or others that try to recover debt. Your feedback will be used to help consumers like you understand the credit and debt collection process.

The interview will take place by telephone on [DATES]. If you are interested in participating in an interview, please complete the following questions. If you qualify for an interview, we will contact you to schedule a time that is convenient for you. As a thank you for your involvement, an honorarium in the amount of \$75 will be provided to those who participate.

**Paperwork Reduction Act Statement.**

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The OMB control number for this collection is **3170-0022**. It expires on **12/31/2022**. The time required to complete this information collection is estimated to average approximately 5 minutes per response. Comments regarding this collection of information, including the estimated response time, suggestions for improving the usefulness of the information, or suggestions for reducing the burden to respond to this collection should be submitted to the Consumer Financial Protection Bureau (Attention: PRA Office), 1700 G Street NW, Washington, DC 20552, or by email to [PRA\\_Comments@cfpb.gov](mailto:PRA_Comments@cfpb.gov).

**Privacy Act Statement**

**5 U.S.C. 552a(e)(3)**

The information you provide through your responses to the Fors Marsh Group (FMG) will assist the interview sponsor, the Consumer Financial Protection Bureau ("Bureau"), to recruit individuals to participate in an interview to assess the effectiveness of the Bureau's model debt collection validation notices.

The FMG will obtain and access your name, email, telephone number, sex, ethnic origin, race, and the city and state of where you reside. The Bureau will only obtain, and access, de-identified results and aggregated analyses of those results.

Information collected will be treated in accordance with the System of Records Notice ("SORN"), CFPB.022 - Market and Consumer Research Records, 83 FR 23435. Although the Bureau does not anticipate further disclosing the information provided, it may be disclosed as indicated in the Routine Uses described in the SORN. Direct identifying information will only be used to determine eligibility for the interview and will be kept private except as required by law.

This collection of information is authorized by Pub. L. No. 111-203, Title X, Sections 1013 and 1022, codified at 12 U.S.C. §§ 5493 and 5512.

Participation is voluntary.

Thank you for your interest. Please complete the following questions so we can determine your eligibility.

Q1: Do you currently have any debt (e.g., loans, past-due bills, financing from a store or dealer)?

1. Yes
2. No

Q2. Have you ever worked for a debt collector or debt collection firm?

1. Yes [TERMINATE]
2. No

Q3. In the past two years, since [MONTH YEAR], have you been contacted (in person, by phone, mail, or some other means) by a debt collector, an attorney, a collection firm, or others trying to recover a debt from you? **[select only one] [RECRUIT APPROXIMATELY 2/3 1'S AND APPROXIMATELY 1/3 2'S]**

1. Yes
2. No [skip to Q8]

Q4. In the past two years, since [MONTH YEAR], how many times in total have you been contacted by a debt collector, an attorney, a collection firm, or others trying to recover a debt from you? **[select only one] [RECRUIT A MIX]**

1. 1–5 times
2. 6–20 times
3. 21–50 times
4. More than 50 times

Q5. Thinking about all of the debts that you have been contacted about since [MONTH YEAR], which of the following types of debts were you contacted about? *Select all that apply.* **[select all that apply] [RECRUIT A MIX]**

A credit card balance remaining after your last payment
Mortgage, home equity loan, or home equity line of credit (HELOC)
Auto loan
Student loan
Other consumer or personal loan or line of credit (other than a mortgage, auto, or student loan)
Legal judgment or legal expenses (child support, attorneys' fees, etc.)
Past-due taxes
Past-due medical bill
Past-due phone, cable, internet, or other telecommunications bill
Past-due utility bill (gas, electric, etc.)
Other type of debt: _____

Q6. Thinking about all of the debts that you have been contacted about since [MONTH YEAR], who tried to contact you concerning these debts? *Select all that apply.* [select all that apply] [RECRUIT A MIX. Prioritize 3's, 4's, and 6's]

1. The original creditor (e.g., the original lender, store, hospital)
2. An attorney or law officer
3. A collection agency
4. A company that owns the debt, because it bought the debt from the original creditor
5. Other type of debt collector
6. Don't know

Q7. People may pay a debt that they are uncertain is theirs or that they do not remember borrowing. Thinking about the most recent debt that you were contacted about, which of the following best describes how certain you are about whether this debt was yours? [select only 1] [RECRUIT A MIX OF MOSTLY 1s AND 3s, but some 2s]

1. I am reasonably certain the debt was mine.
2. I am reasonably certain the debt was not mine.
3. I am uncertain whether the debt was mine.

Q8. What is your age? [select only one]

1. 18–24
2. 25–34
3. 35–44
4. 45–54
5. 55–64
6. 65+

Q9. What is your sex? [select only one]

1. Male
2. Female
3. Prefer not to indicate

Q10. Are you of Hispanic, Latino/a, or Spanish origin? [select only one]

1. Yes, Hispanic, Latino/a, or Spanish origin
2. No, not of Hispanic, Latino/a, or Spanish origin



Q11. What is your race? *Select all that apply.* **[select all that apply]**

1. White
2. Black or African American
3. American Indian or Alaska Native
4. Asian
5. Native Hawaiian or other Pacific Islander

Q12. What city and state do you live in? **[Text box]**

Q13. What is your highest level of education? *Please select one.* **[select only one]** **[RECRUIT A MIX. PRIORITIZE 1s, 2s, and 3s]**

1. Less than a high school degree
2. High school degree (grade 12, diploma, or GED)
3. Technical or vocational school
4. Some college
5. College degree
6. Postgraduate degree (e.g., MA, PhD, JD, MBA, MD)

Q14. Which of the following describes what you are currently doing? *Select all that apply.* **[select all that apply]**

1. Going to high school
2. Going to community college, two-year degree program, or trade school (either full-time or part-time)
3. Going to a four-year college/university (either full-time or part-time)
4. Working full-time
5. Working part-time
6. Homemaker
7. Retired
8. Not employed **[skip to Q18]**

Q15. What is your occupation? **[Text box]**

Q16. What industry do you work in? **[Text box]**

Q17. What is your annual household income? **[select only one]**

1. Under \$20,000
2. \$20,000–\$39,999K
3. \$40,000 –\$69,999
4. \$70,000–\$99,999
5. \$100,000 or more

Q18. First name: [Text box] Last name: [Text box]

Q19. Email: [Text box]

Q20. Mobile number: [Text box]

Q21. Alternate number: [Text box]

Thank you for completing this questionnaire. We hope to be in contact with you soon about scheduling a time for you to participate. If you have any questions, please contact us at [CONTACT INFO]. You can also visit our website at [www.forsmarshgroup.com](http://www.forsmarshgroup.com) or our Facebook page: <http://www.facebook.com/ForsMarshGroup>.

## Confirmation Screener (for those who qualify based on initial screener).

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Hello \_\_\_\_\_. Thank you for your interest in participating in a remote interview. My name is \_\_\_\_\_, and I wanted to follow up regarding a screener that you completed recently for an upcoming interview project. I wanted to ask a couple more questions and see if we can schedule you for an interview. Your participation is completely voluntary. Do you have a few minutes?

Q1. Can you please verify the city and state where you live?

Q2. Have you ever worked for a debt collector or debt collection firm?

1. Yes [TERMINATE]
2. No

Q3. In the past two years, since [MONTH YEAR], have you been contacted (in person, by phone, mail, or some other means) by a debt collector, an attorney, a collection firm, or others trying to recover a debt from you? [radio buttons, select only one]

1. Yes [Invite to Participate in Collections Sessions]
2. No [Invite to Participate in Non-Collections Sessions]

### Session Invitation:

We would like to invite you to participate in an interview. We will be discussing the debt collection process and how it can be improved. The entire session will last about 45 minutes, and you will be provided a \$75 gift card when you are finished with the interview. Are you willing to participate in an interview?

Interviews will take place by **phone**. Please enter three options for dates and times that will be the most convenient for you to participate. The one-on-one interview will last up to 45 minutes.

1. Date [Text box] Time [Text box]
2. Date [Text box] Time [Text box]
3. Date [Text box] Time [Text box]

Reconfirm participant's email address.

**Terminate message: both for web screener**

We are sorry but you do not qualify for an interview. Would you like us to contact you for future studies that you qualify for? **[Radio buttons, select only one]**

1. Yes
2. No

## INFORMED CONSENT FORM

You are being asked to participate in a one-on-one interview. This form describes the purpose, procedures, benefits, risks, and precautions of the interview. It also describes your right to withdraw from the interview at any time. A member of the interview staff is available to read through this form with you and discuss all the information, if you wish.

### **Why is this interview being conducted?**

This one-on-one interview is being conducted to better understand the interactions that consumers have with debt collectors and debt collection notices. You will be asked to give your opinion about the design and improvements of a sample debt collection notice.

### **What do I need to know about the interview?**

Adults 18 and older have been asked to participate in one-on-one interviews about debt collection and debt collection notices. Each interview session will last 45 minutes. The sessions will be recorded, but individuals' names will not be used in any description of findings. In accordance with the Paperwork Reduction Act of 1995, the questions asked as part of this interview have been approved by the Federal Government's Office of Management and Budget (OMB) under OMB control number **3170-0022**. Without this approval, we could not ask these questions.

You will be asked to interact with and provide feedback on a sample debt collection notice. You will also be asked to complete some assigned activities. While you do so, the moderator will ask questions to better understand how you interact with the notice. You will then discuss your thoughts and opinions with the moderator. Other team members may observe in another room.

### **What are the potential risks of being in this interview?**

There are minimal risks associated with this interview. You will complete short questionnaires and provide feedback about the design of debt collection notices. You do not have to answer any questions that you do not want to answer.

### **Does being in an interview provide any benefit?**

The interview project will help improve the experiences consumers have when their debts go to collection in the future. Interview participants will receive \$75 for their participation.

### **Will it cost me anything to be in an interview?**

There are no costs to participate in an interview, other than possible transportation costs to and from the facility.

### **Do I have to participate in the interview?**

Participation is voluntary.

### **Who will have access to information from the interview and/or contact information?**

Only the team members working on this project will have access to the information you provide.

### **Who do I contact if I have questions about the interview?**

If you have questions or concerns about the interview, you can contact Jennifer McNulty of Fors Marsh Group at [jmcnulty@forsmarshgroup.com](mailto:jmcnulty@forsmarshgroup.com) or at 571-444-1127.

I, \_\_\_\_\_, have read this form and agree to participate.

Print Name

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Date

## **Privacy Act Statement**

### **5 U.S.C. 552a(e)(3)**

The information you provide through your responses to the Fors Marsh Group (FMG) will assist the interview sponsor, the Consumer Financial Protection Bureau (“Bureau”), in interviewing participants to assess the effectiveness of the Bureau’s model debt collection validation notices.

The FMG will obtain and access audio and video records, and a live-stream may also be provided to a select number of Bureau employees. The Bureau will only obtain, and access, de-identified results of the audio and video recordings.

Information collected will be treated in accordance with the System of Records Notice (“SORN”), CFPB.022 - Market and Consumer Research Records, 83 FR 23435. Although the Bureau does not anticipate further disclosing the information provided, it may be disclosed as indicated in the Routine Uses described in the SORN. Direct identifying information will only be used to determine eligibility for the interview and will be kept private except as required by law.

This collection of information is authorized by Pub. L. No. 111-203, Title X, Sections 1013 and 1022, codified at 12 U.S.C. §§ 5493 and 5512.

Participation is voluntary.

North South Group  
P.O. Box 121212  
Pasadena, CA 91111-2222  
(800) 123-4567 from 8am to 8pm EST, Monday to Saturday  
[www.NorthSouthGroup.com](http://www.NorthSouthGroup.com)

To: Person A  
2323 Park Street  
Apartment 342  
Bethesda, MD 20815

**Reference: 584-345**

**North South Group is a debt collector.** We are trying to collect a debt that you owe to Bank of Rockville. We will use any information you give us to help collect the debt.

### Our information shows:

You had a Main Street Department Store credit card from Bank of Rockville with account number 123-456-789.

As of January 2, 2017, you owed:		\$	2,234.56
Between January 2, 2017 and today:			
You were charged this amount in interest:	+	\$	75.00
You were charged this amount in fees:	+	\$	25.00
You paid or were credited this amount toward the debt:	-	\$	50.00
<b>Total amount of the debt now:</b>		<b>\$</b>	<b>2,284.56</b>

### How can you dispute the debt?

- **Call or write to us by August 28, 2020, to dispute all or part of the debt.** If you do not, we will assume that our information is correct. If you write to us by August 28, 2020, we must stop collection on any amount you dispute until we send you information that shows you owe the debt.
- You may use the form below or write to us without the form. You may also include supporting documents. We accept disputes electronically at [www.NorthSouthGroup.com/dispute](http://www.NorthSouthGroup.com/dispute).

### What else can you do?

- **Write to ask for the name and address of the original creditor, if different from the current creditor.** If you write by August 28, 2020, we must stop collection until we send you that information. You may use the form below or write to us without the form. We accept such requests electronically at [www.NorthSouthGroup.com/request](http://www.NorthSouthGroup.com/request).
- **Learn more about your rights under federal law.** For instance, you have the right to stop or limit how we contact you. Go to [www.consumerfinance.gov](http://www.consumerfinance.gov).
- Contact us about your payment options.
- Póngase en contacto con nosotros para solicitar una copia de este formulario en español.

**Notice: See Reverse Side for Important Information.**



#### Mail this form to:

North South Group  
P.O. Box 123456  
Pasadena, CA 91111-2222

Person A  
2323 Park Street  
Apartment 342  
Bethesda, MD 20815

### How do you want to respond?

*Check all that apply:*

☐ **I want to dispute the debt because I think:**

- ☐ This is not my debt.
- ☐ The amount is wrong.
- ☐ Other (please describe on reverse or attach additional information).

☐ **I want you to send me the name and address of the original creditor.**

☐ **I enclosed this amount:** \$

Make your check payable to *North South Group*. Include the reference number 584-345.

☐ **Quiero esta formulario en español.**

## CFPB Debt Collection Data Analysis Plan

September 24, 2020

### Overview

The following document provides an analysis plan for the debt collections study. Given the tight timeframe and the nature of the interview instrument, we propose a mixed methods approach using multiple analysis techniques.

1. We will use NVivo qualitative software to support our analysis of qualitative information, which we expect to capture as part of each section. For these sections, we propose using deductive coding based on pilot interview data and our assumptions about responses. We have used NVivo in the past for similar efforts to organize, categorize, and code large amounts of qualitative data across multiple diverse sources in a short time frame.
2. To analyze the other sections of the interview guide, we will calculate correct answers based on our rubric in Excel. This will provide insight into what aspects of the debt collection form are hardest to interpret and use for decision making and which are more clear.

We will combine all analyses into a final report that integrate quantitative and qualitative information into a clear representation of key findings.

The following write-up maps out a description of our approach organized by moderator guide section.



## Section 2A: Initial Reactions and Behavioral Intentions

We will plan to analyze the introductory section using NVivo. This will allow us to extract the most important information from answers and hone in on key themes. To simplify the process, we will want to keep this section to a small number of codes. These codes are not mutually exclusive, and we will double code when necessary. Given the pilot results, the proposed codes are:

- ☐ **Clarity**  
*Text on how clear/unclear the form is and how easy it is to understand*
- ☐ **Legitimacy**  
*Text on whether or not the form and information appears as legitimate or a scam and the perceived attributes of legitimacy*
- ☐ **Level of Information**  
*Text on whether there is enough information (or not) to help make a decision.*
- ☐ **Consequences**  
*Text on the consequences of not responding or paying.*
- ☐ **Confirmatory Actions**  
*Text on actions that would be taken (e.g. calling, emailing, visiting bank, going to Bureau for info) to confirm legitimacy*
- ☐ **Suggestions/Improvements**  
*Text on how the debt collection notice could be improved. Text on whether more or less information would be helpful and why*

## Section 2B: Debt Information and Payment

### Debt Information and Payment

This section focuses on the participants' ability to extract key information from the notice about the debt (e.g. type, contact information, issuing company), the amount owed and components of balance, and the necessary actions to settle the debt. The purpose is to capture thematic data on (1) what motivates participants responses (2) what information they are extracting (or not extracting) from the form, and whether or not what they are extracting is relevant information from the form.

We plan to use excel to manually review all answers and provide a score for each participant based on their responses to this section. Below is an example score table for a participant.

#### *Questions on Debt Information and Payment*

# of questions	Correct Responses	Percentage Correct
12	X	$X/12(*100)\%$

The 12 questions as well as a scoring rubric we will use for our analysis can be found on the next page.

*Debt Information and Payment Questions & Rubric*

Question Number	Question	Answer	Correct Response	Points (0-incorrect, 1-correct)
2.B.1	If you wanted more information about the debt, who could you contact?		North South Group, (contact info in top left)	
2.B.2	What kind of debt is this? What makes you say that?		Department Store Credit Card/credit card debt	
2.B.3	According to the notice, how much do you owe on this debt as of today?		\$2,284.56	
2.B.4	Does the amount you owe include any interest? If so, how much?		\$75	
2.B.5	Does the amount you owe include any fees? If so, how much?		\$25	
2.B.6	Have you made any payments on the debt? If so, how much have you paid? When?		\$50	
			between Jan 2, 2017 and today	
2.B.8	According to this notice, how much did you owe on January 2, 2017?		\$2,234.56	
2.B.9	What is your account number with the company that extended you the credit?		123-456-789	
2.B.10	Who should you send the payment to?		North South Group	
2.B.10A	Please explain how you could send a payment.		Send check to North South Group with the reference number 584-345 or pay online if available	

There are two question in this section that are better suited for qualitative analysis-2B.7 and 2.B.11. Since 2.B.7 gathers information about participant's knowledge, it will likely yield valuable insights about how participants came to certain conclusions about the interest and fee increase. 2.B.11 gathers information about participants ability to use the notice to problem solve. We propose the following codes for these two questions and follow up questions.

**2B.7 Probe:** *According to the notice, do you think interest and fees are continuing to increase?*

Codes:

- Increasing
- Not Increasing
- Unsure

**Probe:** *What makes you say that?*

Codes:

- The form doesn't specify
- Previous experience/knowledge
- The form indicates the increase/stability

**2B.11 Probe:** *Based on what you see in this notice, what, if anything, could you do if you are interested in payment options? Tell me more about that.*

Codes (Select all that apply):

- ☐ Call North South Group
- ☐ Write North South Group
- ☐ Call Bank of Rockville
- ☐ Write Bank of Rockville
- ☐ Unsure based on notice
- ☐ Don't think a payment option is possible
- ☐ Other

## Section 2C: Additional Options

This section focuses on the participants' ability to understand options to learn more information about this debt. For this section, we propose using qualitative coding. We will use the following codes to highlight key information:

### **2C.1.a. Probe:** *Where to find more information about stopping or limiting contact?*

Codes (Select all that apply):

- ☐ CFPB website
- ☐ Online (besides CFPB website)
- ☐ Friend
- ☐ Phone
- ☐ There if no way to get debt collectors to stop
- ☐ Other
- ☐ Don't Know

### **2C.2 Probe:** *What could you do if you wanted more information about debt collection in general?*

Codes (Select all that apply):

- ☐ Go to CFPB website
- ☐ Go Online (besides CFPB website)
- ☐ Ask a Friend
- ☐ Call CFPB
- ☐ Other
- ☐ Don't Know

## Section 2D: Disputing Debt

This section focuses on the participants' ability to understand the process for disputing the debt. This section is primarily quantitative (13 questions), with one question that warrants qualitative codes.

*Disputing Debt Questions and Rubric*

Question Number	Question	Answer	Correct Response	Points (0-incorrect, 1-correct)
2.D.1.	If you think the debt does not belong to you, what can you do?		Call or write	
2.D.1.B	What happens if you write to dispute before August 28 <sup>th</sup> ?		They will stop collection until sending information saying you owe the debt	
2.D.1.C	What about if you write after August 28 <sup>th</sup> ? Do you think the debt collector would be required to send you information showing you owe the debt or not?		They will not be required to send that information.	
2.D.1.D	Would you be permitted to write to the debt collector after August 28 <sup>th</sup> if you do not think you owe the debt?		Yes	
2.D.1.E	What happens if you call to dispute?		They will not be required to send information saying you owe the debt.	
2.D.2	What could you do if you recognize the debt as one you owe, but some information about the debt is incorrect?		Dispute that debt via call or online or writing or email and explain what about the debt is incorrect	
2.D.3	What could you do if you are not sure whether or not you owe the debt?		Contact North South Group	
			Dispute the Debt	
			Ask for the name/address of the original creditor	

There is one follow up question in this section that is best suited for qualitative analysis:

2.D.1.A. This question seeks information on what actions participants would take in debt dispute and involves problem solving. We propose the following code for this question

**2.D.1.A Probe:** *Please explain how you could respond if you think the debt does not belong to you. [If needed] Could you dispute the debt? Where on the notice did you find that information?*

Code:

- ☐ Send form back
- ☐ Write without the form
- ☐ Call the 800#
- ☐ Dispute electronically at [www.NorthSouthGroup.com/dispute](http://www.NorthSouthGroup.com/dispute)
- ☐ Ask for the name of the original creditor at [www.NorthSouthGroup.com/request](http://www.NorthSouthGroup.com/request)
- ☐ Can't dispute
- ☐ Don't know

## Section 2E: Follow up-Information

The last section focuses on remaining questions about the clarity of the form and information. The first question asks the participant to rate clarity on a 5-point likert scale.

**2.E.1a Probe:** *On a five-point scale, one being very easy and five being very difficult, overall would you say this form is easy to understand or difficult to understand?*

Code:

- ☐ 1 (Very easy)
- ☐ 2 (Somewhat easy)
- ☐ 3 (Neither easy nor difficult)
- ☐ 4 (Difficult)
- ☐ 5 (Very Difficult)

**2.E.1ai Probe Follow-up** – *What is particularly clear if high rating? What is particularly confusing if low rating?*

**Codes (Select all that apply):**

- ☐ Purpose

- ☐ Content
- ☐ Layout/Organization
- ☐ Action Required
- ☐ Resources
- ☐ Other/ idiosyncratic response from consumer/ affective reactions

## Analysis and Reporting

We will use the information in each section above to analyze the trends and key themes across interviews. Below we describe the steps we will take to conduct the analysis.

### Qualitative Data

We will conduct qualitative data analysis as we are collecting data to ensure we meet the necessary deliverables within the established timeline. At the start of our analysis, two researchers will code two to three interview documents within NVivo using the coding structure discussed above. We will then analyze their coding comparison by running statistical tests on agreement to find relevant statistics like percent agreement, Cohen's kappa ( $\kappa$ ), Krippendorff's alpha ( $\alpha$ ), Fleiss' kappa ( $\kappa$ ), or Pearson's  $r$ .<sup>1</sup> We will strive for >80% agreement, which is considered an acceptable level of interrater reliability agreement.

Once researchers have coded all of the documents, we will run queries (e.g. coding, word frequency, compound) to extract key information. We will use the output from these queries to develop qualitative memos and bulleted lists synthesizing key takeaways.

### Quantitative Data

We will use the closed-responses to develop scores for each content section and an overall content understanding score for each participant (below). We will use this information to better understand key trends and areas for improvement.

Section	Score	Percentage
Debt Information and Payment	X/12	X/12 (*100)%
Disputing Debt	X/13	X/13(*100)%
Total	X/25	x/25(*100)%

We will analyze the scores to highlight specific trends across content areas and tasks and will use this information to highlight areas for improvement and particular challenges for participants.

<sup>1</sup> [http://andreaforte.net/McDonald\\_Reliability\\_CSCW19.pdf](http://andreaforte.net/McDonald_Reliability_CSCW19.pdf)



## Reporting

We will integrate findings from each of the following sections to develop a report that shares key trends and information about how participants interact with the debt collection form.