



1700 G Street NW, Washington, D.C. 20552

April 29, 2020

Michael Baye
Chair, CFPB's Academic Research Council
Bert Elwert Professor of Business, Kelley School of Business
Indiana University
HH3080
1309 E. 10th St.
Bloomington, IN 47405

RE: Peer review request for *Disclosure of Time-Barred Debt and Revival: Findings from the CFPB's Quantitative Disclosure Testing*

Dear Professor Baye:

Disclosure of Time-Barred Debt and Revival: Findings from the CFPB's Quantitative Disclosure Testing summarizes the results of a quantitative study of the effects of different time-barred and revival disclosures on individuals' understanding of these disclosures in debt collection validation notices. Time-barred debt is debt for which the statute of limitations has expired, and for which a collector cannot sue to collect the debt. The right to sue may be revived, however, if the consumer takes certain steps, such as making a payment on the debt. For this study, respondents were presented with a sample notice regarding a hypothetical debt that included a respondent's randomly assigned disclosure describing the debt's time-barred status and the possibility of revival. Respondents were subsequently tested on their understanding of the notice and the time-barred debt and revival disclosures. This report presents the results of the survey.

Information quality guidelines promulgated by OMB advise that influential scientific assessments be subject to peer review to ensure the quality of information the government disseminates to the public. With that in mind, I ask that the Bureau's Academic Research

Council (ARC) do such a peer review of the study described above, and that you as the Chair of the ARC facilitate that review.¹ OMB guidance further suggests that Federal Agencies provide peer reviewers with “instructions regarding the objective of the peer review and the specific advice sought.”² In performing this peer review, we ask that you evaluate and comment on the theoretical and empirical merit of the information. You should consider, among other things: (1) whether the methodology and assumptions employed are reasonable, appropriate, and consistent with accepted social science theory and statistical practices; (2) whether the data used are reasonable and of sufficient quality for purposes of the analysis; and (3) whether the conclusions, if any, follow from the analysis.

Please note that the standards for evaluation are not necessarily the same as those one might apply in evaluating studies for publication in a professional journal. For example, it is not necessary that the study present new or novel theoretical results or empirical techniques. Consistent with the OMB Bulletin, we are not asking you to “provide advice on policy” or to evaluate the policy implications of the study.³

Further, you should be aware that the peer review will not be anonymous. Rather, the review will be placed in the public record, along with the identities of the ARC members who performed the review.

The Bureau would also like to know if peer reviewers have any potential conflicts of interest. Please confirm that you and your fellow reviewers have submitted your most recent OGE Form 450, Confidential Financial Disclosure Report.

I would like to note that the nature of the data collection used for this study required a public comment period during which individuals and organizations were able to, and did, comment on the methodology and the survey instrument. Bureau researchers responded publicly to these comments in turn. I am attaching a summary of those comments along with the Bureau’s response in case that helps your review. I am also including a technical report on the data collection that underlies the report I am asking you to review, which may further assist you.

I ask that you provide a written report of your review, findings, and recommendations with regard to this influential scientific information by June 30, 2020. If you have any questions

¹ See *OMB Peer Review Bulletin*, 70 Fed. Reg. 2664 (2005).

² See *OMB Peer Review Bulletin*, 70 Fed. Reg. 2668 (2005).

³ See *OMB Peer Review Bulletin*, 70 Fed. Reg. 2669 (2005).

relating to this request, please contact Jason Brown, Assistant Director, Office of Research, at Jason.Brown@cfpb.gov.

I recognize you and other members of the ARC have many demands on your time. The Bureau greatly appreciates your nevertheless considering this request to peer review the study to help us serve consumers as effectively as we can. Thank you very much.

Sincerely,

A handwritten signature in black ink that reads "Thomas Pahl". The signature is written in a cursive, slightly slanted style.

Thomas Pahl
Policy Associate Director, Research, Markets, and Regulation