



December 23, 2011

Mr. Mitchell E. Hochberg
Ms. Jane Gao
Office of Regulations
Consumer Financial Protection Bureau
1500 Pennsylvania Avenue, NW
(Attn: 1801 L Street)
Washington, DC 20220

***Re: Generic Clearance for Development and/or Testing of Model Forms,
Disclosures Tools, and Other Similar Related Materials (Document ID CFPB-
2011-0034-0001, OMB Number: 3170-XXXX)***

Dear Mr. Hochberg and Ms. Gao,

The American Financial Services Association (“AFSA”) welcomes the opportunity to comment on the Consumer Financial Protection Bureau’s (“CFPB”) proposed Generic Clearance for Development and/or Testing of Model Forms, Disclosures, Tools, and Other Similar Related Materials. AFSA is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. Its 350 members include consumer and commercial finance companies, auto finance/leasing companies, mortgage lenders, mortgage servicers, credit card issuers, industrial banks and industry suppliers.

Generic Clearance

AFSA recommends that the Office of Management and Budget (“OMB”) deny the CFPB generic clearance for the consumer complaint and information collection system (“Complaint System”). AFSA understands that OMB has granted other federal banking agencies generic clearance for development and/or testing of model forms, disclosures, tools, and other similar related materials, but we believe that generic clearance for the CFPB is not appropriate at this time. While the CFPB is still in its formative state, we believe the OMB should not grant the CFPB generic clearance. In this phase of the CFPB’s existence, and in light of the importance of model forms to the CFPB’s mission, we believe the future iterations of model forms would benefit from thorough review by the OMB.

Testing Model Forms

AFSA encourages the CFPB to use various research methods to develop model forms. We ask that the CFPB refer to Section 5 of Executive Order 13563 which references the President’s Memorandum for the Heads of Executive Departments and Agencies, “Scientific Integrity” (March 9, 2009), and implementing guidance. The Executive Order emphasizes that each agency shall “ensure the objectivity of any scientific and technological information used to support the

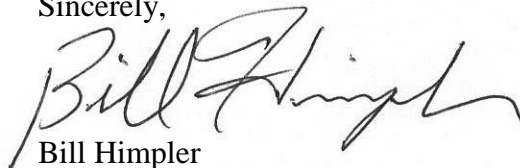
agency's regulatory actions.”¹ Thus, we ask that the CFPB use scientific research methods to develop model forms.

Focus groups have a limited use in testing model forms. A discussion among focus group participants is intended to bring out ideas and thoughts that cannot be elicited other ways, such as by questionnaires. In other words, focus groups should be used to explore thought processes and answer the question, “Why?” They can precede other research methods, and their results can help in other research methods, but focus groups should not replace a more thorough quantitative study. Focus groups are too small to provide reliable quantitative data, even if the members of the focus group are representative of the target population. When testing model forms, AFSA requests that the CFPB use other research methods in addition to focus groups, if focus groups are used at all.

We are concerned that the CFPB may duplicate the method the Federal Reserve Board (“Board”) used to test a credit protection product disclosure as part of its Regulation Z revisions in 2010.² AFSA believes that the consumer testing underlying the proposed credit protection product disclosure was woefully inadequate and did not fully account for the interests of consumers and lenders. The consumer testing of the credit protection product disclosures involved only 18 consumers – ten consumers in the first round, and eight consumers in the second round. Eighteen consumers are not enough to comprise a representative sample of consumers.

We look forward to working with the CFPB to resolve the concerns expressed above. Please contact me at 202-466-8616 or bhimpler@afsamail.org, with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Himpler", with a stylized, flowing script.

Bill Himpler
Executive Vice President
American Financial Services Association

¹ Exec. Order No. 13,563, 76 Fed. Reg. 3821 (Jan. 21, 2011)

² 75 Fed. Reg. 58539 (Sept. 24, 2010)