



June 12, 2014

Submitted electronically via www.regulations.gov

Consumer Financial Protection Bureau
Attention: PRA Office
1700 G Street NW
Washington, DC 20552

Ladies and Gentlemen:

The Financial Services Roundtable¹ ("FSR") appreciates the opportunity to comment on the Consumer Financial Protection Bureau's recent application to the Office of Management and Budget for Approval of a new Generic Information Collection Plan for Studies of Consumers using Controlled Trials in Field and Economic Laboratory Settings.²

FSR recognizes that research is a critical part of CFPB's mission and we support the Bureau's work and commitment to fulfilling its mission. However, as discussed below, FSR believes the application filed by the Consumer Financial Protection Bureau ("CFPB" or "Bureau") raises serious questions under the Federal Paperwork Reduction Act.

In particular, we question the appropriateness of the Bureau's repeated use of generic information requests. Generic information requests make it almost impossible for interested parties to assess the paperwork burden associated with the collection of unknown quantities of unspecified information for purposes that are not clearly identified.

Paperwork Reduction Act

The Paperwork Reduction Act is intended to minimize the paperwork burden associated with the collection of information by federal agencies and ensure the greatest possible public benefit from such collection.³ Public participation in the development of an agency's information collection plans is essential to carrying out the purposes of the Act;

¹ *Financial Services Roundtable represents the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO. Roundtable member companies provide fuel for America's economic engine, accounting for \$92.7 trillion in managed assets, \$1.2 trillion in revenue, and 2.3 million jobs.*

² 79 Fed Reg 20865; April 14, 2014.

³ 44 U.S.C. 3501.

however, the lack of detail in the Bureau's request challenges the ability of FSR and other affected parties to participate meaningfully in the Bureau's information gathering.

Current and Ongoing Limitations on Public Participation

The Bureau's Supporting Statement identifies the objectives of the Bureau's research only in the most general terms and does not provide enough detail to allow the public to submit informed comments. The Supporting Statement indicates that the Bureau intends to study:

- Consumer awareness and decision-making, for example, understanding what financial products or features people are aware of and why they choose one product over another;
- Consumer experiences and potential risks to consumers, including traditionally underserved consumers;
- Information disclosure and how disclosure may affect behavior; and
- The effect of educational or other interventions on consumer financial behavior or outcomes.

Consumer awareness and decision-making varies widely depending upon the product and the market. For example, in the housing market, the awareness level and decision-making process for purchase money loans is very different from home equity lines of credit. Awareness and decision-making with respect to credit cards will not be the same as for auto loans.

Moreover, it is not clear what "experiences" and "risks to consumers" the Bureau intends to study. The term "experiences" could refer to lack of awareness of a financial product, lack of access, lack of interest, failure to complete an application, being turned down, or something else. With respect to "potential risks to consumers," possible meanings include payments, price, term, suitability, or something completely different. The vagueness of this language and the wide range of possible meanings make it almost impossible for stakeholders to provide informed comments and fail to satisfy the requirements of the Paperwork Reduction Act and its implementing regulations.⁴

Moreover, the harm to stakeholders will continue for an unknown, but presumably lengthy, period of time. The Supporting Statement notes "[t]he Office of Research plans to conduct an ongoing program of research and therefore plans to apply for an extension to the anticipated generic clearance when it expires."⁵

⁴ 44 U.S.C. chapter 35; 5 CFR Part 1320.

⁵ Supporting Statement, page 11.

Plans for Tabulations, Statistical Analysis and Publication

We are especially troubled by the CFPB's statements regarding public availability of its research findings. The Supporting Statement expresses a strong preference for publishing results in the form of Bureau white papers, not as working papers or articles in peer-reviewed journals which provide the public and the academic community more opportunity to analyze and attempt to reproduce the Bureau's results.

The case for self-publication rests solely on expediency. According to the Supporting Statement:

Because of "publication lag," a typical academic journal article is published one or more years after initial submission. The publication process for CFPB in-house products is shorter than that for external academic publications.⁶

As the Bureau notes, its research projects "are intended to expand **scientific understanding** of consumer decision-making in financial domains."⁷ It is difficult to understand how scientific understanding will be achieved without application of scientific methods including peer review and reproducibility of results. We urge the Bureau to seek out and collaborate with experts in the field and adhere to generally accepted academic research standards.

Repeated Use of Generic Clearance Contradicts Commitment to Transparency

The current application for generic clearance is the CFPB's fifth such application.⁸ Generic clearance is intended to be the exception, not the rule, for federal agency data collection. The CFPB's repeated use of generic clearance raises serious concerns about the agency's commitment to openness and transparency.

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In closing, we strongly encourage the CFPB to withdraw its application for generic clearance and foster an open and transparent research environment from beginning to

⁶ Id., page 11.

⁷ Id., emphasis added.

⁸ Earlier applications for generic clearance are: Clearance for Development and/or Testing of Model Forms, Disclosures, Tools, and Other Similar Related Materials (OMB Control Number: 3170-0022). Generic Clearance for the Collection of Qualitative Feedback on the Service Delivery of the Consumer Financial Protection Bureau (OMB Control Number: 3170-0024). Generic Clearance for Qualitative Consumer Education, Engagement, and Experience Information Collections (OMB Control Number: 3170-0036). Generic Clearance for Consumer Complaint and Information Collection System (Testing and Feedback) (OMB Control Number: 3170-0042).

end. It is clear that the results of this request will inform the CFPB's "world view" of the market for consumer financial services and provide the foundation for further research which, in turn, will form the basis of agency policy making and rulemaking. Ample public engagement and robust debate will help produce sound results and avoid unintended consequences.

Thank you again for the opportunity to comment. If you have questions, please contact me at anne.wallace@fsroundtable.org or 202.589.1936.

Sincerely yours,

A handwritten signature in black ink that reads "Anne Wallace". The signature is fluid and cursive, with the first name "Anne" and last name "Wallace" clearly distinguishable.

Anne Wallace