



Consumer Financial
Protection Bureau

Debt Collection Cognitive Interviews



FORS | MARSH
GROUP

Contents

| | |
|--|----|
| Introduction | 2 |
| Debt Information Boxes..... | 3 |
| Mini-Mirandas | 15 |
| Payment Demand | 19 |
| Consumer Rights..... | 19 |
| Additional Consumer Rights..... | 26 |
| Time-Barred and Obsolete Debts..... | 34 |
| Appendix A: Demographics..... | 39 |
| Appendix B: Full Notices | 42 |
| Appendix C: Plain Language Notices | 45 |
| Appendix D: Sample Notice..... | 48 |
| Appendix E: Satisfaction Questionnaire | 49 |

Introduction

Debt collection validation notices present consumers with information about a given debt and their rights to dispute and verify the debt. The Consumer Financial Protection Bureau (CFPB) is considering designing model validation notices that improve the information provided to consumers. Validation notices can vary considerably—such as by reading level and visual design—in the way information about the debt is presented. To understand how variability in validation notices may influence perception and behavior, we interviewed consumers as they interacted with a series of model validation notices.

Fors Marsh Group (FMG) conducted 30 one-on-one interviews with two consumer groups: (1) individuals with no debt collection experience and (2) individuals who had been contacted by a debt collector attempting to recover a debt within the previous two years (henceforth referred to as “Debt Collection Experience”). Thirty interviews took place in three locations: Arlington, Virginia, on September 23 and 24, 2014; Minneapolis, Minnesota, on October 9 through 11, 2014; and Las Vegas, Nevada, on October 23 and 24, 2014. At each location, 10 participants were interviewed: 7 with debt collection experience and 3 without debt collection experience. The proportion of participants with and without debt collection experience was made to approximate the proportion of consumers entering into or experiencing debt collection in these groups within the United States.

The goals of these interviews were to assess consumers’ perceptions, preferences, and understanding of three different validation notices and to evaluate the behavioral impact that these notices may have. Three types of forms were tested at each location. The first form, henceforth referred to as “Sample,” was modeled closely after forms that are currently used by collection agencies and tend to mirror the statutory language of the Fair Debt Collection Practices Act (FDCPA). The Sample form contained language that was tested at a higher reading level and contained more compound sentences than the other two forms. The second form, henceforth referred to as “Plain Language,” contained the same information as the Sample form but was written with simpler language and fewer compound sentences. The third form, henceforth referred to as “Full Notice,” contained the same language used in the Plain Language form but had additional information, including consumer rights, breakdowns regarding the history of the debt in a “Debt Information Box” (e.g., original creditor, date of last charge), and, for two locations, information detailing the debt’s time-barred nature. The order of form presentation was counterbalanced to account for learning effects.

To measure understanding, we asked participants to define, locate, and explain the meaning of specific elements in each form. Perceptions of the notices were quantified by having participants respond to three surveys, each with three Likert-scale questions. Participants completed the survey after interacting with each form and before answering specific questions about the form. The Likert-scale questions asked participants about the trustworthiness of the form, clarity of the language on the form, and organization of each form. We evaluated preferences for individual elements, phrasing, and word choices by asking participants to directly compare the Sample and Plain Language forms, side by side.

We evaluated the potential for a behavioral impact by asking participants targeted questions about what they would do after reading individual elements of each notice. The substance of both the Sample and Plain Language forms did not change between testing locations. However, for the Full Notice form, elements in the Debt Information Box were different at each location.¹ In addition, different lists of consumer rights, henceforth referred to as “Additional Consumer Rights,” were included on the Full Notice form in each location.

This research will guide future testing of validation content and inform design recommendations. The discussion and activities during these interviews are summarized in this report, which is divided into six key sections:

- I. Debt Information Boxes
- II. Mini-Mirandas
- III. Payment Demand
- IV. Consumer Rights
- V. Additional Consumer Rights
- VI. Time-Barred and Obsolete Debts

Debt Information Boxes

We began discussion of the Full Notice by evaluating comprehension and perceptions of elements within the Debt Information Boxes. The elements changed between rounds of testing that took place in Arlington, Minneapolis, and Las Vegas (see figure below). Participants’ comprehension and perceptions of each element from the three Debt Information Boxes is discussed below.

| Full Notice Debt Information Boxes | | |
|--|---|---|
| Arlington | Minneapolis | Las Vegas |
| Current Creditor: Main Street Bank Original Creditor: Bank of USA Brand: Casey's Department Store Amount of debt: \$1,234.56 Principal: \$950.00 Interest: \$234.56 Fees: \$50.00 Consumer SSN: xxx-xx-6789 | Creditor: Main Street Bank Type of Debt: Student Loan Creditor's Account No.: 56643-134-11145 Amount of debt: <u>\$1,234.56</u> Amount at charge-off: \$950.00 Penalties, interest, fees after charge-off: \$284.56 Consumer Date of Birth: 12/3/75 | Current Creditor: Main Street Corp. Prior Creditors: Bank of USA; Pace Bank Prior Collectors: XYZ Credit Corp.; USA Recovery Services; ACME Services; Marvin & Johnson Amount of debt: \$1,234.56 Amount of your last charge: \$56.00 Date of your last charge: 1/2/2003 |

Creditors

The first line in each Debt Information Box contained information about a creditor. Across locations and debt experience levels, participants had high accuracy when describing the general role of creditors.

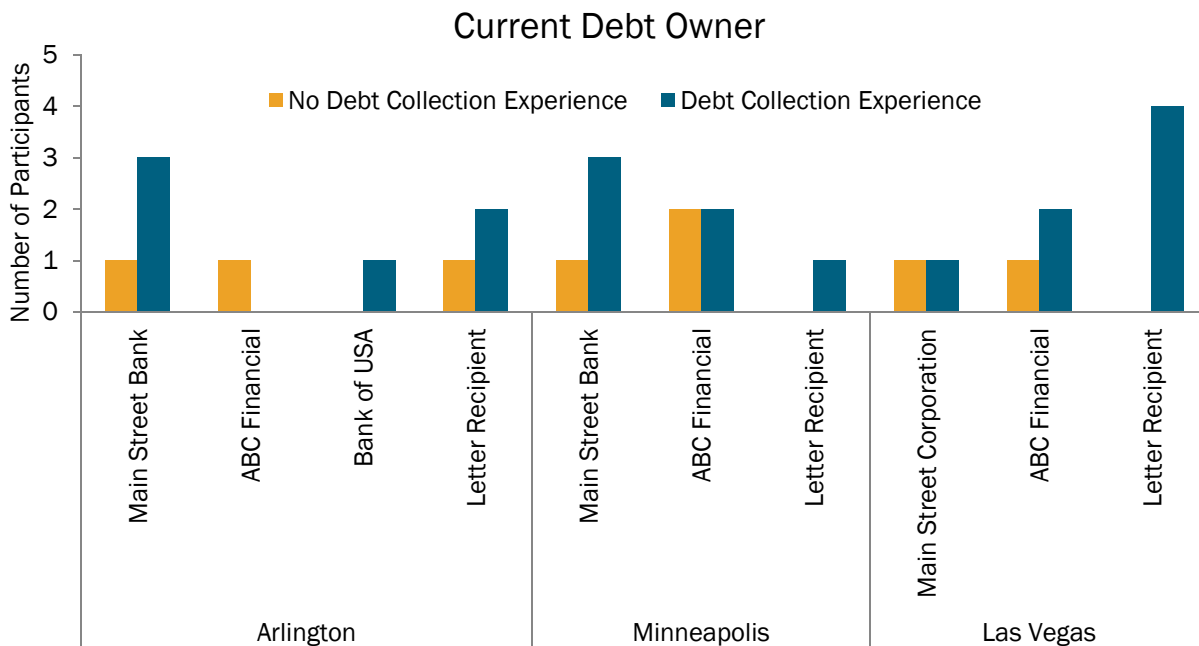
- “They are the people that gave the money to me.” *Minneapolis, Debt Collection Experience*
- “That is the person I borrowed the money from.” *Las Vegas, No Debt Collection Experience*

¹The wording of one consumer right was adjusted during testing in Arlington. The right was changed from, “We cannot contact you at any time and place you tell us is inconvenient.” to “If you tell us that any time or place is inconvenient, we cannot contact you at that time or place.”

- “The creditor is giving you money temporarily, and you have to pay them back.”
Arlington, Debt Collection Experience

In each location, comprehension and perception was assessed for the use of different language used to describe creditors. “Original” and “current” were tested in Arlington and “prior” and “current” were tested in Las Vegas. No comparisons between “original” and “current” or “prior” and “current” were tested in Minneapolis. The moderator asked specific questions about the language used to describe creditors to evaluate participants’ knowledge of these terms.

In Arlington, evidence of potential confusion emerged when participants attempted to explain the relationship between original and current creditors. In Las Vegas, similar confusion was observed when participants tried to explain the difference between prior and current creditors. Specifically, the unclear relationship between creditors was highlighted when participants attempted to identify the party that “currently owns the debt.” In Arlington, participants said they thought the owner of the debt could be Main Street Bank, ABC Financial, Bank of USA, or the letter recipient. In Las Vegas, participants identified three potential current debt owners: Main Street Corporation, ABC Financial, and the letter recipient. The figure below illustrates how responses to the question “Who owns the debt?” were distributed. The variety of responses suggests a large degree of uncertainty pertaining to debt ownership. It appeared that participants also sometimes confused the person who owns the debt with the person who owes the debt.



Participants in Las Vegas did not say that the list of prior creditors was helpful. Comments suggested that they were confused with how prior creditors relate to current creditors and that they were more concerned with whom and how much they owe as opposed to knowing the full list of prior creditors.

- “I’m not really sure how it works.” *Las Vegas, Debt Collection Experience*
- “I don’t see why that is even in there. It has no relation to this debt here.” *Las Vegas, Debt Collection Experience*
- “If it doesn't have anything to do with this debt, then why should they involve it right now?” *Las Vegas, Debt Collection Experience*
- “I just want to see who I owe and what I owe.” *Las Vegas, Debt Collection Experience*

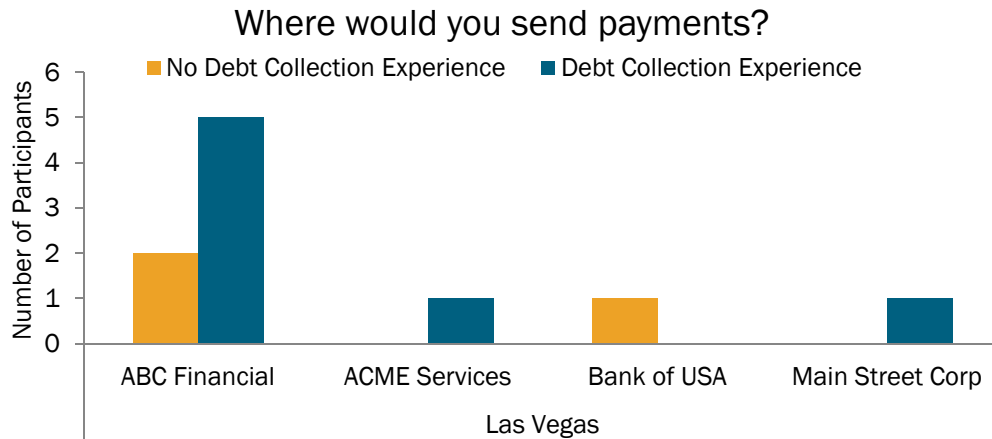
Collectors: Current & Prior

| Full Notice Debt Information Boxes | | |
|--|---|---|
| Arlington | Minneapolis | Las Vegas |
| Current Creditor: Main Street Bank Original Creditor: Bank of USA Brand: Casey's Department Store Amount of debt: \$1,234.56 Principal: \$950.00 Interest: \$234.56 Fees: \$50.00 Consumer SSN: xxx-xx-6789 | Creditor: Main Street Bank Type of Debt: Student Loan Creditor's Account No.: 56643-134-11145 Amount of debt: <u>\$1,234.56</u> Amount at charge-off: \$950.00 Penalties, interest, fees after charge-off: \$284.56 Consumer Date of Birth: 12/3/75 | Current Creditor: Main Street Corp. Prior Creditors: Bank of USA; Pace Bank Prior Collectors: XYZ Credit Corp.; USA Recovery Services; ACME Services; Marvin & Johnson Amount of debt: \$1,234.56 Amount of your last charge: \$56.00 Date of your last charge: 1/2/2003 |

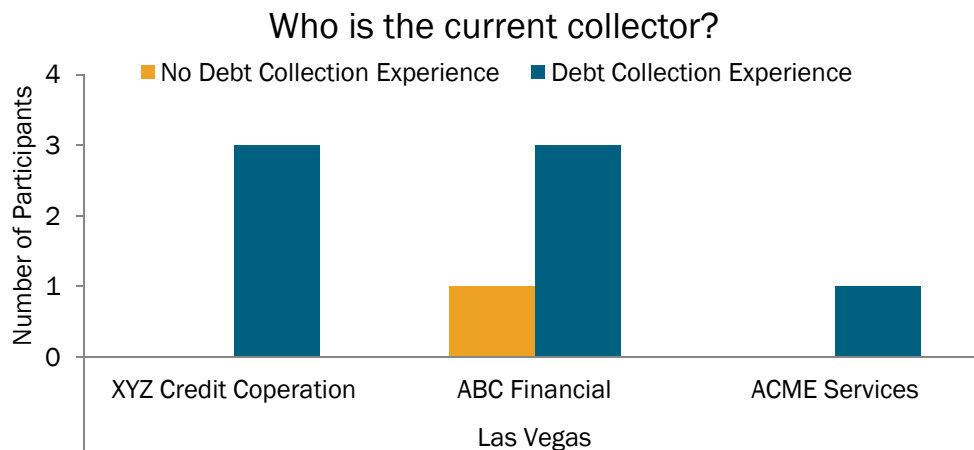
Overall, participants had a good understanding of the difference between a creditor and a collector. All participants in Las Vegas and all but one participant in Minneapolis correctly described the general differences between collectors and creditors.

- “The bank keeps contacting you, and after a while, if they can't get you to pay, it goes to the debt collector.” *Minneapolis, No Debt Collection Experience*
- “The creditor would usually be who you owe a loan to. ABC must be the debt collection operations.” *Minneapolis, Debt Collection Experience*
- “The creditor is who you owe; the collectors are the people that are trying to help them get the money.” *Las Vegas, Debt Collection Experience*

Although many participants said they understood the difference between a creditor and a collector, they may not recognize the significance of that difference or how that difference affects the debt collection activity. For example, there was confusion on where to send payments. To better understand how participants understood the role that the financial parties play, we also asked them where they would send payments. This question served to help us get a sense of what participants understood the collector’s role to be. Participants in Minneapolis were more accurate than participants in Las Vegas when identifying where to send their payments. All participants in Minneapolis said they would send their payments to ABC Financial. The figure below outlines how responses to the question “Where would you send payments?” were distributed in Las Vegas. Arlington participants did not answer these questions because they were added for later rounds of testing.



The current collector was not listed in the Debt Information Box at any location, but rather it appeared above the Box at the top of the notice. However, in Minneapolis, 100% of participants identified ABC Financial as the current collector. ABC was listed as the current collector on the form in multiple places. In Las Vegas, we asked eight of the participants to identify the current collector. Specific questions inquiring about who the current collector was were added after testing in Arlington. The figure below outlines how responses to the question “Who is the current collector?” were distributed in Las Vegas.



Eight participants in Las Vegas gave comments that suggested a general understanding of why a debt might have prior collectors. Five participants, three with Debt Collection Experience and two with No Debt Collection Experience, correctly explained why a debt could have prior collectors. One Debt Collection Experience participant incorrectly identified the prior collectors as corporate partners of the current creditor.

- “I would say that none of these collectors could get a hold of the person, or they didn’t receive payment, so now another person is trying to collect.” *Las Vegas, Debt Collection Experience*
- “They are someone that tried to collect the debt before but didn’t succeed.” *Las Vegas, Debt Collection Experience*

Two Debt Collection Experience participants correctly identified why a debt would have prior collectors, but they said that they did not think the information belonged at all on the Validation Notice. In a non-testing environment, prior collectors may help individuals recognize debts as their own, but during testing, when participants saw the list of fictitious financial institutions for the first time, they said they did not like the volume of entities provided.

- “I think having the prior collectors listed is irrelevant; they are just prior collectors. It’s good to have the prior *creditors* listed because you might recognize some of the names.” *Las Vegas, Debt Collection Experience*
- “The prior collectors have nothing to do with that debt. ABC Financial is collecting for Main Street Corporation. If it [prior collectors] doesn’t have anything to do with this debt, then why should they involve it right now?” *Las Vegas, Debt Collection Experience*

Type of Debt

| Arlington | Minneapolis |
|--|---|
| Current Creditor: Main Street Bank Original Creditor: Bank of USA Brand: Casey’s Department Store Amount of debt: \$1,234.56 Principal: \$950.00 Interest: \$234.56 Fees: \$50.00 Consumer SSN: xxx-xx-6789 | Creditor: Main Street Bank Type of Debt: Student Loan Creditor’s Account No.: 56643-134-11145 Amount of debt: <u>\$1,234.56</u> Amount at charge-off: \$950.00 Penalties, interest, fees after charge-off: \$284.56 Consumer Date of Birth: 12/3/75 |

In Minneapolis, Type of Debt (e.g., “student loan”) was an element in the Debt Information Box. All participants in Minneapolis said the Type of Debt was helpful information that was “good to know.” Three Debt Collection Experience participants said it was the most helpful feature in the Debt Information Box because it would help them identify the debt as their own.

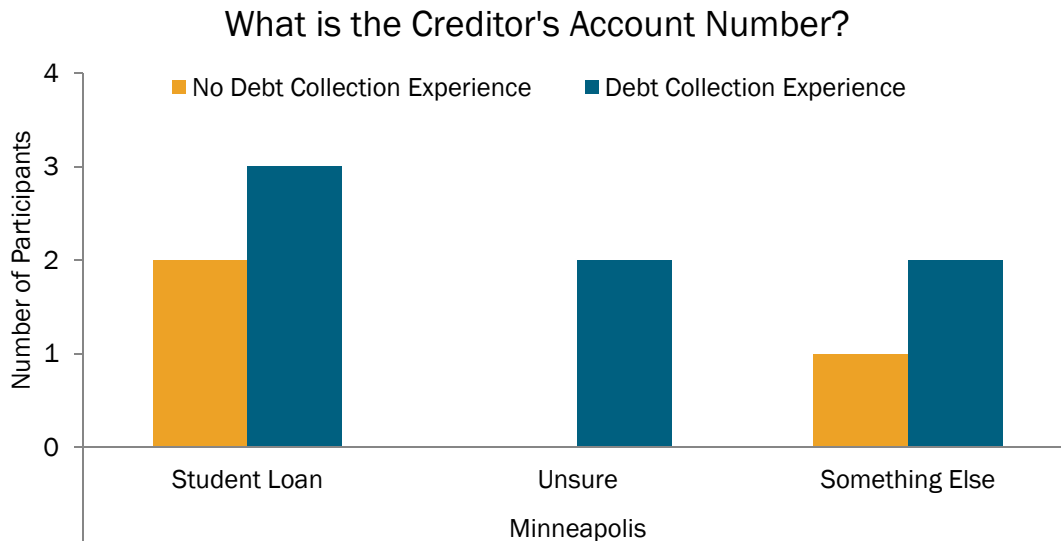
- “It’s very helpful. It gets right to the point and lets you know what they are after and what loan they are talking about.” *Minneapolis, No Debt Collection Experience*
- “It is helpful just in case you have multiple types of loans from the same creditor. It would clarify to you if you were confused about which account you owed.” *Minneapolis, No Debt Collection Experience*
- “That tells you what you owe the money for. Obviously, if you never took one out, then there is something wrong.” *Minneapolis, Debt Collection Experience*

Account Numbers

The Creditor’s Account Number was also included in the Debt Information Box in Minneapolis. Seven participants, five with Debt Collection Experience and two with No Debt Collection Experience, correctly identified that it was an account number with the creditor. Three participants, two with Debt Collection Experience and one with No Debt Collection Experience, incorrectly said the number was an account number at ABC Financial.

- “That might be the number on file with ABC. If it was with MSB, it would say ‘bank account number.’” *Minneapolis, No Debt Collection Experience*
- “It’s confusing me because it says ‘creditor’s account number.’ If it was just my account number, then it would just say ‘account number,’ not ‘creditors account number.’” *Minneapolis, Debt Collection Experience*

The figure below outlines how responses to the question “What is the Creditor’s Account Number?” were distributed in Minneapolis.



Participants said they would use the Creditor’s Account Number for two reasons. First, it would help maintain continuity if the loan changed ownership. Second, they would write it on checks or other forms of payments. One Debt Collection Experience Participant and one No Debt Collection Experience participant said the Creditor’s Account Number was the most helpful feature in the Debt Information Box that would help them identify the debt as their own.

- “I assume you put that on your statement every time you pay.” *Minneapolis, No Debt Collection Experience*
- “It can be used to maintain continuity if the loan changed ownership.” *Minneapolis, No Debt Collection Experience*
- “When I pay a bill, I could put the account number on there to make sure it goes through.” *Minneapolis, Debt Collection Experience*

Brands

During testing in Arlington, the brand “Casey’s Department Store” was presented to participants in the Sample form. The brand was meant to simulate a branded card associated with the debt. This element was not identified by any participants as a feature that would help participants recognize the debt as their own, though all participants said they thought that Casey’s Department Store was the location the fictional debt was accrued. The branded card may be a helpful feature to include in validation notices used in non-testing environments, but because participants had no prior experience with this debt, and Casey’s Department Store was a fictional location, we could not conclude that the branded card in the Debt Information Box (in Arlington) was either a helpful or unhelpful piece of information.

Amount of Debt

| Full Notice Debt Information Boxes | | |
|--|--|--|
| Arlington | Minneapolis | Las Vegas |
| <p>Current Creditor: Main Street Bank Original Creditor: Bank of USA Brand: Casey's Department Store</p> <p>Amount of debt: \$1,234.56 Principal: \$950.00 Interest: \$234.56 Fees: \$50.00</p> <p>Consumer SSN: xxx-xx-6789</p> | <p>Creditor: Main Street Bank Type of Debt: Student Loan Creditor's Account No.: 56643-134-11145</p> <p>Amount of debt: <u>\$1,234.56</u> Amount at charge-off: \$950.00 Penalties, interest, fees after charge-off: \$284.56</p> <p>Consumer Date of Birth: 12/3/75</p> | <p>Current Creditor: Main Street Corp. Prior Creditors: Bank of USA; Pace Bank Prior Collectors: XYZ Credit Corp.; USA Recovery Services: ACME Services; Marvin & Johnson</p> <p>Amount of debt: \$1,234.56 Amount of your last charge: \$56.00 Date of your last charge: 1/2/2003</p> |

All participants in Minneapolis and Las Vegas correctly identified the Amount of Debt as \$1234.56. We did not ask participants in Arlington to identify the Amount of Debt because that line of questioning was added in later rounds of testing. In Minneapolis, four participants, one with Debt Collection Experience and three with No Debt Collection Experience, mentioned that they would prefer if the Amount of Debt—a total of the principal, interest, and other fees—should be totaled at the bottom, rather than at the top.

- “A lot of the time, the total amount is presented at the bottom, so you add down, and it makes it a lot easier.” *Minneapolis, Debt Collection Experience*
- “If you add the bottom two numbers, you get the top, so they should put the total at the bottom rather than at the top. It'd be clearer to add down; that's what people normally do.” *Minneapolis, No Debt Collection Experience*

No participants in Minneapolis or Las Vegas identified the Amount of Debt as an element that would help them recognize the debt as their own; however, five Debt Collection Experience participants in Las Vegas identified the Amount of Debt as the most important part of the entire notice. Two participants said the Amount of Debt would likely not be recognizable because of added fees and interest accrued over time.

Penalties, Interest, Fees

| Arlington | Minneapolis |
|--|--|
| <p>Current Creditor: Main Street Bank Original Creditor: Bank of USA Brand: Casey's Department Store</p> <p>Amount of debt: \$1,234.56 Principal: \$950.00 Interest: \$234.56 Fees: \$50.00</p> <p>Consumer SSN: xxx-xx-6789</p> | <p>Creditor: Main Street Bank Type of Debt: Student Loan Creditor's Account No.: 56643-134-11145</p> <p>Amount of debt: <u>\$1,234.56</u> Amount at charge-off: \$950.00 Penalties, interest, fees after charge-off: \$284.56</p> <p>Consumer Date of Birth: 12/3/75</p> |

In Arlington and Minneapolis, the Debt Information Box listed additional charges. In Arlington, it listed principal, interest and fees. In Minneapolis, it listed the amount due at charge-off and the total of post-charge-off penalties, interest, and fees. Participants said they liked seeing the amount of debt itemized (in whatever format they were shown) because it helped them recognize specific charges.

- “I really, really like the breakdown of the total debt, the interest, and fees.” *Arlington, Debt Collection Experience*
- “I think this notice [Full Notice] is more helpful than that one [Plain Language] because it has the fees.” *Minneapolis, Debt Collection Experience*
- “I like all the information in the box detailing the amount and penalties.” *Minneapolis, No Debt Collection Experience*

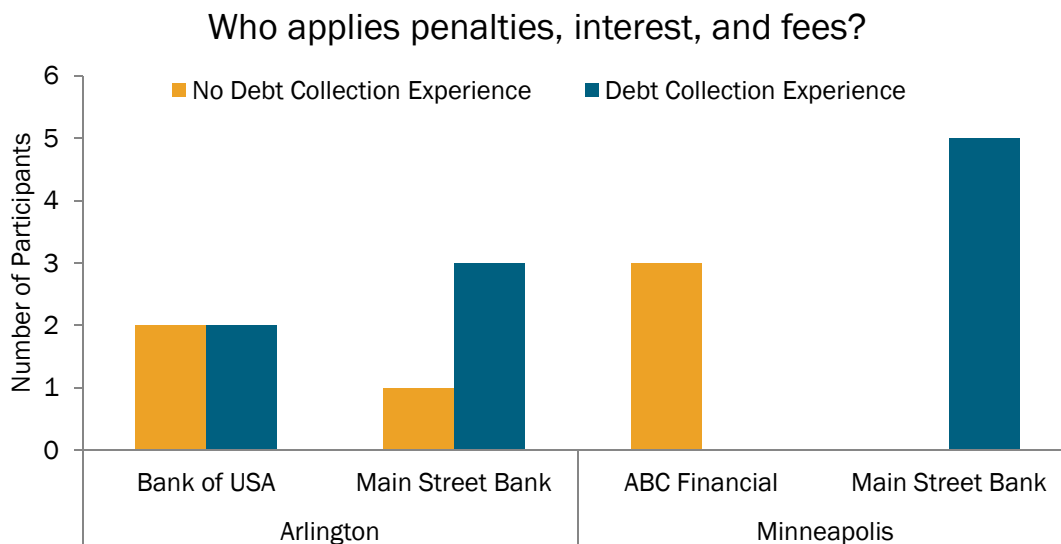
However, many participants did not know what the fees were for and said they would have liked to see penalties and fees broken down even further.

- “As a consumer, I wouldn’t really know what those fees are for. Handling? Processing?” *Minneapolis, Debt Collection Experience*
- “It doesn’t say anything about the breakdown of penalties, interest, and fees.” *Minneapolis, No Debt Collection Experience*
- “The fees could be any kind of fees, like late fees.” *Arlington, Debt Collection Experience*
- “I have a question about what the fee is for, but I like that it’s listed.” *Arlington, No Debt Collection Experience*

Additionally, participants from Arlington and Minneapolis provided mixed responses when explaining which entity applied the penalties, interest, and fees.

- “I assume it is Main Street Bank, but with the information given here, it’s not clear.” *Minneapolis, Debt Collection Experience*
- “Maybe it’s ABC Financial so they can maximize their profit.” *Minneapolis, No Debt Collection Experience*
- “It appears as if it was Bank of USA through Casey’s Department Store.” *Arlington, No Debt Collection Experience*

The figure below outlines how responses to the question “Who applies penalties, interest, and fees?” were distributed in Arlington and Minneapolis.



Despite the confusion about who applied the penalties, interest, and fees, these elements were mentioned as features that positively impacted satisfaction ratings of clarity, trust, or organization.

Amount at Charge-Off

| Minneapolis | |
|---|------------|
| Creditor: Main Street Bank | |
| Type of Debt: Student Loan | |
| Creditor's Account No.: 56643-134-11145 | |
| Amount of debt: | \$1,234.56 |
| Amount at charge-off: | \$950.00 |
| Penalties, interest, fees after charge-off: | \$284.56 |
| Consumer Date of Birth: | 12/3/75 |

Participants in Minneapolis expressed confusion when they encountered the term and concept of “charge-off.” Participant comments highlight their confusion with Amount at Charge-Off, for example:

- “I don't know what that means, candidly. I don't know what this number is telling me.” *Minneapolis, No Debt Collection Experience*
- “I don't really know. I'd just call either way to verify the debt and check it all against the information that I already have.” *Minneapolis, Debt Collection Experience*

Comments from the participants show that they had various interpretations of the term.

- “It's the max amount the loan was for.” *Minneapolis, Debt Collection Experience*
- “That's the amount that's due on a certain date.” *Minneapolis, Debt Collection Experience*
- “I don't really know. It's the initial amount besides the penalties and interest.” *Minneapolis, Debt Collection Experience*

A trend did not emerge to suggest that certain debt experience levels or education were predictive of accuracy in describing Amount at Charge-Off. Of the participants with incorrect responses, one had a college degree, three had completed college courses, and two had no college experience. Only one participant (No Debt Collection Experience, some college courses completed) indirectly identified the Amount at Charge-Off as an element that would help her identify the debt. She indicated to the moderator that all of the elements in the Debt Information Box were helpful.

Amount and Date of Your Last Charge

| Las Vegas | |
|--|------------|
| Current Creditor: Main Street Corp. | |
| Prior Creditors: Bank of USA; Pace Bank | |
| Prior Collectors: XYZ Credit Corp.; USA Recovery Services; ACME Services; Marvin & Johnson | |
| Amount of debt: | \$1,234.56 |
| Amount of your last charge: | \$56.00 |
| Date of your last charge: | 1/2/2003 |

In Las Vegas, the line items Amount of Your Last Charge and Date of Your Last Charge were added to the Debt Information Box. Two participants, one with Debt Collection Experience and one without, incorrectly described these line items as being part of a monthly payment plan or charges and fees applied by a creditor.

- “That's like my monthly payment.” *Las Vegas, No Debt Collection Experience*
- “That's the last fee you had for Bank of USA, like if you overdrafted.” *Las Vegas, Debt Collection Experience*

Though it did not explicitly say in the Debt Information Box that the debt was from a credit card, all but two participants explained the “Amount of Debt” and “Amount of Your Last Charge” as relating to a credit card. Four participants with Debt Collection Experience and one with No Debt Collection Experience said the Amount of Debt and Date of Your Last Charge were the most helpful features in the Debt Information Box that would help them identify the debt as their own.

- “If I did make that charge, I would recognize that amount of money and say this must be mine.” *Las Vegas, Debt Collection Experience*
- “The first thing I would look at would be the charge to remind myself about the amount, and then I would look at the date.” *Las Vegas, No Debt Collection Experience*
- “If I saved my receipts, I could go back and look at what I did that day.” *Las Vegas, Debt Collection Experience*

Social Security Number (SSN) and Date of Birth (DOB)

| Arlington | Minneapolis |
|--|---|
| Current Creditor: Main Street Bank Original Creditor: Bank of USA Brand: Casey's Department Store Amount of debt: \$1,234.56 Principal: \$950.00 Interest: \$234.56 Fees: \$50.00 Consumer SSN: xxx-xx-6789 | Creditor: Main Street Bank Type of Debt: Student Loan Creditor's Account No.: 56643-134-11145 Amount of debt: <u>\$1,234.56</u> Amount at charge-off: \$950.00 Penalties, interest, fees after charge-off: \$284.56 Consumer Date of Birth: 12/3/75 |

In Arlington, a partial Social Security Number (SSN) was presented at the bottom of the Debt Information Box. The goal of including this element was to help participants recognize the debt as their own. Comments from participants suggested mixed reactions to the presence of a partial SSN. Of the seven participants that commented on the SSN, five of them were uncomfortable with the inclusion of the SSN because of concerns over identify theft. No comments from participants suggested that they understood that the collector likely already has this information, regardless of whether it is included in the notice. No participants mentioned the SSN or DOB as elements that would help them identify the debt as their own. Four of those five had Debt Collection Experience, and all had at least some college course completed.

When participants mentioned apprehension regarding the inclusion of a SSN, it did not necessarily reduce the trustworthiness of the notice. Rather, they appeared to be concerned that the information was out in the open and that it could fall into the wrong hands.

- “I’m very uncomfortable. I didn’t apply for credit through this company [ABC Financial] so now my social is out there for another company to have.” *Arlington, Debt Collection Experience*
- “They shouldn’t put it on there because the mail could get lost, and then they would have your name and address and the last four digits of your social security.” *Arlington, Debt Collection Experience*
- “It makes me wonder if Casey’s Department Store has that number. If they do, it makes me nervous about it getting out. Casey’s might not be the most careful at vetting employees.” *Arlington, Debt Collection Experience*

Two participants with Debt Collection Experience wanted the SSN to be included because the SSN made the notice seem more trustworthy and could help them access their account information. For these two participants, one had some college experience, and the other had no college experience.

- “It’s more trustworthy to see ... more information; it’s [sic] more data points that I can look up to confirm. That’s typically something you provide to banks where you have accounts.” *Arlington, Debt Collection Experience*
- “That’s just to identify me. I can use it to get what I need from the bank.” *Arlington, Debt Collection Experience*

The consumer Date of Birth (BOD) is an element that was intended to help individuals recognize a given debt as their own. In Minneapolis, the DOB was listed in the Debt Information Box, and participants had mixed reactions to its presence. No comments from participants suggested that they understood that the collector likely already has this information, regardless of whether it is included in the notice. Five participants, three with Debt Collection Experience and two with No Debt Collection Experience, did not think the DOB was an appropriate part of the Debt Information Box.

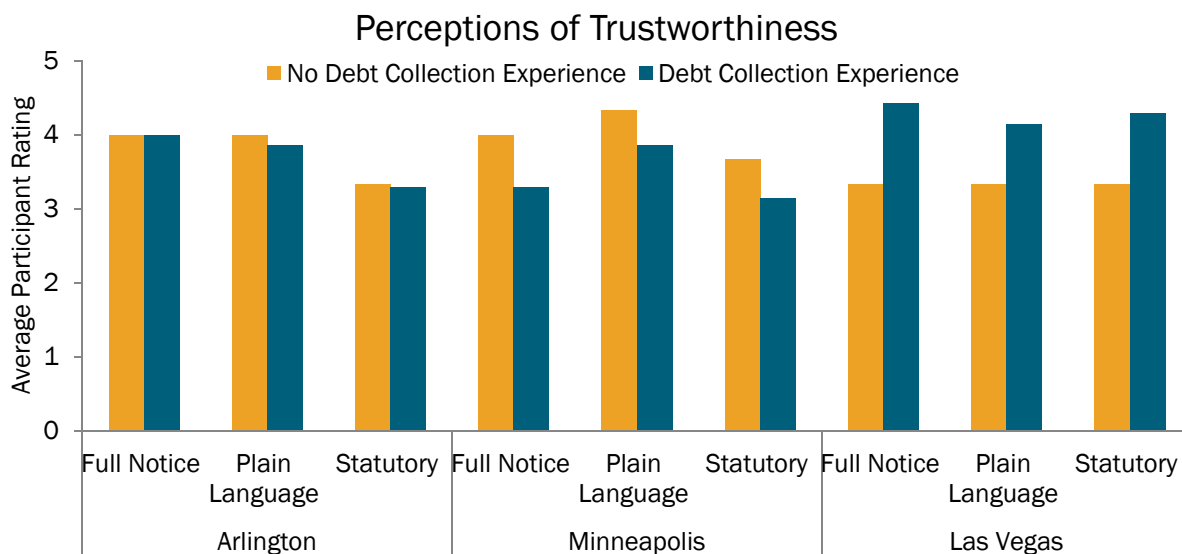
- “It’s strange to me. It’s one of the ways you verify your account when calling. That’s personal information, and I get upset when I see it. I don’t think it needs to be included.” *Minneapolis, Debt Collection Experience*
- “I don’t see how it’s relevant.” *Minneapolis, No Debt Collection Experience*
- “It’s not really relevant. It’s a negative reaction to see that there.” *Minneapolis, No Debt Collection Experience*
- “With regard to confidentiality, I wouldn’t be too happy about it in case my mail got intercepted.” *Minneapolis, Debt Collection Experience*

Five participants, one with No Debt Collection Experience and four with Debt Collection Experience had positive reactions to the inclusion of the DOB. These participants saw the DOB as an element that increases the trustworthiness of the company that is collecting the debt.

- “I like having it in there—it feels more personable about the whole thing. It makes you know they’re sending it to the right person—it’s a verification that it is for you, from us.” *Minneapolis, Debt Collection Experience*
- “It helps with the validity of the debt and it makes it seem more trustworthy.” *Minneapolis, Debt Collection Experience*

Perceptions of Trustworthiness

Ratings provided by participants on the Likert-scale questions were designed to assess perceptions of trustworthiness. Results of these ratings in Arlington suggest a slight advantage in perceptions of trustworthiness for the Full Notice and Plain Language forms over the Sample form. In Minneapolis, a trend emerged that the No Debt Collection Experience group trusted the notices more than the Debt Collection Experience group. In Las Vegas, average trustworthiness ratings by the Debt Collection Experience group tended to be higher than ratings made by the No Debt Collection Experience group. The figure below shows the participant ratings regarding perceptions of the three forms at each testing location.



A trend in the Satisfaction Questionnaire did not suggest group differences in the perceptions of trustworthiness for different forms. However, comments from participants across all locations suggested that the inclusion of additional information (i.e., fees, penalties) in the Debt Information Box on the Sample Form contributed to their overall sense of trust.

- “They give you the principal, interest, and fees. That’s a plus.” *Arlington, Full Notice, Debt Collection Experience*
- “I’d trust it more if it stated more information about where the debt is coming from. If I got this in the mail, all I would know is the amount, nothing else. It might be random.” *Minneapolis, Plain Language, Debt Collection Experience*
- “I’m not going to automatically trust the information you’re giving me. I’d have to have my personal information to recognize this whole debt. I’d want to have addresses or Social Security Number, something that shows that you have the right person.” *Las Vegas, Plain Language, Debt Collection Experience*
- “All the information is spelled out in more detail.” *Minneapolis, Full Notice, No Debt Collection Experience*

The Debt Information Boxes provided participants with information to help them recognize the debt as their own. The most common elements in the Debt Information Boxes that helped participants recognize the debt as their own were:

- Type of Debt
- Amount of Your Last Charge
- Date of Your Last Charge
- Creditor’s Account Number.

The most common elements that confused participants were the prior creditors and prior collectors. Participants did not understand the relationship between current and prior creditors and did not think that the list of prior collectors was relevant to the current debt. Participants said they thought the breakdown of penalties, interest, and fees added to the

trustworthiness of the notices, but they said they would like to see fees and penalties broken down even further.

Mini-Mirandas

The Fair Debt Collection Practices Act (FDCPA) requires collectors to provide certain disclosures to consumers, often known as the “Mini-Miranda,” which collectors include on validation notices. Variations of Mini-Mirandas were assessed across the different testing locations. The table below outlines the different Mini-Mirandas that were displayed on the notices.

| Mini-Mirandas | |
|--|---|
| Arlington – Plain Language | We are a debt collector, attempting to collect a debt. We will use any information you give us for that purpose. |
| Minneapolis & Las Vegas – Plain Language | ABC Financial Group is a debt collector. We are attempting to collect a debt. We will use any information you give us for that purpose. |
| All locations – Sample | This communication is from a debt collector. We are required to inform you that this is an attempt to collect a debt, and any information obtained will be used for that purpose. |

Comprehension

Participants across all locations had high accuracy when identifying ABC Financial as the entity that sent the letter. ABC Financial was listed as the current debt collector in multiple places on the form. Participants may not have grasped the full purpose of the Mini-Miranda. All participants across all locations said the purpose of the Mini-Miranda was to serve as a statement to inform the consumer that the communication was from a debt collector and that they are trying to collect upon the outstanding debt. Participants’ comments suggested that understanding of the Mini-Miranda across all versions was very similar.

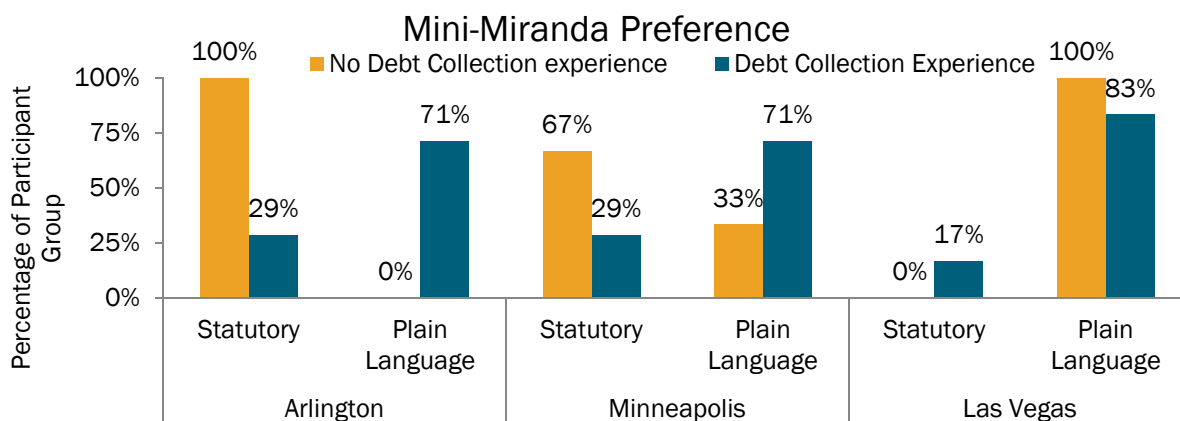
- “They are trying to collect the money that I owe.” *Arlington, Plain Language, Debt Collection Experience*
- “They are the collector trying to get the money from you.” *Minneapolis, Full Notice, No Debt Collection Experience*
- “They are trying to collect a debt, and they will use any information to get it.” *Las Vegas, Full Notice, Debt Collection Experience*

Participant comments did not suggest that they would change their behavior after reading the Mini-Miranda. Comments suggested that participants knew that information would be used to collect the debt, but not that they should guard what they say. Ten participants (eight with debt collection experience, two without debt collection experience) specifically mentioned “...any information will be used for that purpose” while describing the main point of the Mini-Miranda. Of these 10, only one mentioned that he would monitor the information provided to make sure he did not incriminate himself. Two participants did not know what type of information could be potentially incriminating.

- “I probably wouldn’t be very cooperative to help them, especially if I have a dispute, because I don’t want to give them my information and help them out.” *Las Vegas, Debt Collection Experience*
- “I don’t know why they say they will ‘...use any information you give us for that purpose...’ What don’t they already know?” *Las Vegas, Debt Collection Experience*
- “What kind of information would they use against you?” *Minneapolis, No Debt Collection Experience*

Overall Preferences

Variability in Mini-Miranda preferences existed across locations and debt experience levels. The figure below displays the preferences across debt experience levels and location.



Participants from both debt experience levels explained why they had a preference for a particular version of the Mini-Miranda. Many participants from both groups said they preferred the Mini-Miranda on the Plain Language form because it explicitly stated, early in the statement, that ABC Financial was a debt collector.

- “I am pretty sure that I know who is sending this. The way the other one [Sample] explained it, it could be any party that is relating the information.” *Arlington, Debt Collection Experience*
- “I would prefer this one [Plain Language] because it identifies who the person [debt collector] is.” *Minneapolis, Debt Collection Experience*
- “ABC identifies themselves [sic] right away. In this one [Sample], they don’t tell you; you have to guess.” *Las Vegas, Debt Collection Experience*

Participants with and without debt collection experience explained that their preference for the Mini-Miranda from the Plain Language form was driven by its length. “They’ve just got more words in this one [Sample]. Less words here is [sic] more information.” *Las Vegas, No Debt Collection Experience*

- “It’s shorter, and you don’t have time to read all the extra words that are in that one [Sample].” *Arlington, Debt Collection Experience*
- “In the one on the right [Sample], there is a lot of explaining, and it seems unnecessary.” *Las Vegas, Debt Collection Experience*

Of the participants in Arlington and Minneapolis that said they preferred the Sample form, eight said the legal language used in the Sample form seemed more official. Six participants that preferred the legal language in the Sample form were between the ages of 23 and 36 and two were between the ages of 59 and 61.

- “I prefer the more formal one [Sample].” *Arlington, Debt Collection Experience*
- “The language in that one [Sample] is a little stronger. I think I’d rather receive it [Sample] because it’s telling you this is for real.” *Minneapolis, No Debt Collection Experience*
- “It sounds like more formal language.” *Minneapolis, Debt Collection Experience*

Preferences: Attempting vs. Required

| Mini-Mirandas | |
|--|---|
| Arlington – Plain Language | We are a debt collector, attempting to collect a debt. We will use any information you give us for that purpose. |
| Minneapolis & Las Vegas – Plain Language | ABC Financial Group is a debt collector. We are attempting to collect a debt. We will use any information you give us for that purpose. |
| All locations – Sample | This communication is from a debt collector. We are required to inform you that this is an attempt to collect a debt, and any information obtained will be used for that purpose. |

We asked participants in Las Vegas and Minneapolis about their preferences for specific differences between the language used in the Sample and Plain Language Mini-Mirandas. First, the moderator asked participants about preferences for ‘...we are **attempting** to collect a debt...’ and ‘...we are **required to inform** you that this is an attempt to collect a debt.’ This line of questioning was added after testing in Arlington.

Four of six (one participant was not asked this question) Debt Collection Experience participants in Minneapolis preferred the “required” Mini-Miranda language. One of two (one participant was not asked this question) No Debt Collection Experience participants in Minneapolis preferred the “required” language.

- “‘Attempting’ means they are sort of trying to get the money; the required wording is stronger. ‘Required’ is really telling you it’s for real.” *Minneapolis, Debt Collection Experience*
- “The one with ‘required’ is more official.” *Minneapolis, Debt Collection Experience*
- “‘Required’ seems a little more trustworthy.” *Minneapolis, No Debt Collection Experience*
- “The other one [Sample] sounds more demanding. ‘Attempting to collect’ sounds softer. We are going to ask nicely before we want to get the money.” *Minneapolis, Debt Collection Experience*

In Las Vegas, three of three (four participants did not denote a preference) Debt Collection Experience participants said they preferred the “attempting” language. Two of three (one

participant was not asked this question) No Debt Collection Experience participants said they preferred the “attempting” language as well.

- “Saying ‘we are required to tell you’ makes it seem like they are going to attempt to do it later. They haven’t quite attempted to collect the debt yet.” *Las Vegas, Debt Collection Experience*
- “ ‘Attempt’ is telling me that they are trying to collect. ‘Required’ is telling me that this is the first time they are trying to contact me.” *Las Vegas, Debt Collection Experience*
- “The ‘we are required to inform you’ sounds more intimidating. It’s almost like you are required to pay because they are ‘required to inform you.’ ” *Las Vegas, No Debt Collection Experience*
- “Who are they required by? Their boss?” *Las Vegas, No Debt Collection Experience*

Preferences: Obtain vs. Give Us

| Mini-Mirandas | |
|--|---|
| Arlington – Plain Language | We are a debt collector, attempting to collect a debt. We will use any information you give us for that purpose. |
| Minneapolis & Las Vegas – Plain Language | ABC Financial Group is a debt collector. We are attempting to collect a debt. We will use any information you give us for that purpose. |
| All locations – Sample | This communication is from a debt collector. We are required to inform you that this is an attempt to collect a debt, and any information obtained will be used for that purpose. |

The moderator asked participants about their preference for another wording difference between the Sample and Plain Language Mini-Mirandas. The moderator asked participants to explain the difference and preference for the use of “...any information you **give us...**” versus “...any information **obtained...**” These language preference questions were added after testing in Arlington and only asked in Minneapolis and Las Vegas. Three participants in Minneapolis (two No Debt Collection Experience; one Debt Collection Experience) and three participants in Las Vegas (one No Debt Collection Experience; two Debt Collection Experience) said they preferred the use of “give us” in the Mini-Miranda. Other participants accurately explained the difference between the two options but did not feel strongly enough to choose a preference.

- “When they say ‘give us,’ it makes it seem like they are going to work with you. It feels more inviting.” *Minneapolis, No Debt Collection Experience*
- “It’s almost scary because you don’t know how they will get the information when they say ‘obtain.’ ” *Minneapolis, Debt Collection Experience*
- “ ‘Obtain’ feels like they are going to do a background search on their own.” *Las Vegas, No Debt Collection Experience*
- “ ‘Obtain’ can be however they may get it.” *Las Vegas, Debt Collection Experience*

The Mini-Miranda from the Plain Language and Sample forms performed equally in terms of comprehension and understanding, but differences emerged in perceptions because of differences in the language used. In Minneapolis, more participants said they preferred the

use of the word “required” because it sounded more official than “attempting”; in Las Vegas, participants preferred the use of the word “attempting” because it sounded “softer” and “like they would work with you.” The use of “give us” was preferred by both debt experience groups over “obtain” in Minneapolis and Las Vegas in part because participants said they did not feel like they would be going through a background check. Across locations and debt experience levels, participants said they preferred the Mini-Mirandas that quickly identified ABC Financial as the debt collector.

Payment Demand

The Payment Demand, located under the Mini-Miranda in the forms we tested, asked participants to pay their outstanding debt. The moderator did not focus discussion on this language. Rather, discussion was centered on the Debt Information Box, Mini-Mirandas, Consumer Rights, and Time-Barred Debt. The table below outlines the two different versions of the payment demand that participants saw.

| Payment Demand | |
|---|---|
| Arlington & Minneapolis – Plain Language & Sample Forms | Your account in the amount of \$1,234.56, owed to Main Street Bank, has been placed with ABC Financial Group for collections. Please remit payment in full, payable to ABC Financial Group, in the enclosed envelope. |
| Las Vegas – Plain Language & Sample Forms | Your account in the amount of \$1,234.56, owed to Main Street Corporation, has been placed with ABC Financial Group for collections. Please remit payment to ABC Financial Group in the enclosed envelope. |

Despite the small amount of moderator-led discussion focused on this section, this section was identified as one of the most important parts of the entire notice by several participants. In Arlington, three participants, two with Debt Collection Experience and one with No Debt Collection Experience, identified the Payment Demand paragraph as the most important part of the notice. No participants in Minneapolis said the Payment Demand was the most important part of the notice. However, in Las Vegas, four participants, three with Debt Collection Experience and one with No Debt Collection Experience, identified the Payment Demand as the most important part of the notice.

Consumer Rights

Under Federal Law

The Plain Language and Full Notice forms listed Consumer Rights under a heading that read, “Under Federal Law.” All participants but one with Debt Collection Experience in Minneapolis said they understood that the rights would apply to this debt, even if it was sold to a new company. Most participants said they saw the heading as a positive addition that added to the form’s trustworthiness, while two (one from Minneapolis with Debt Collection Experience and one from Arlington with No Debt Collection Experience) said it added a sense of urgency and burden and seemed threatening.

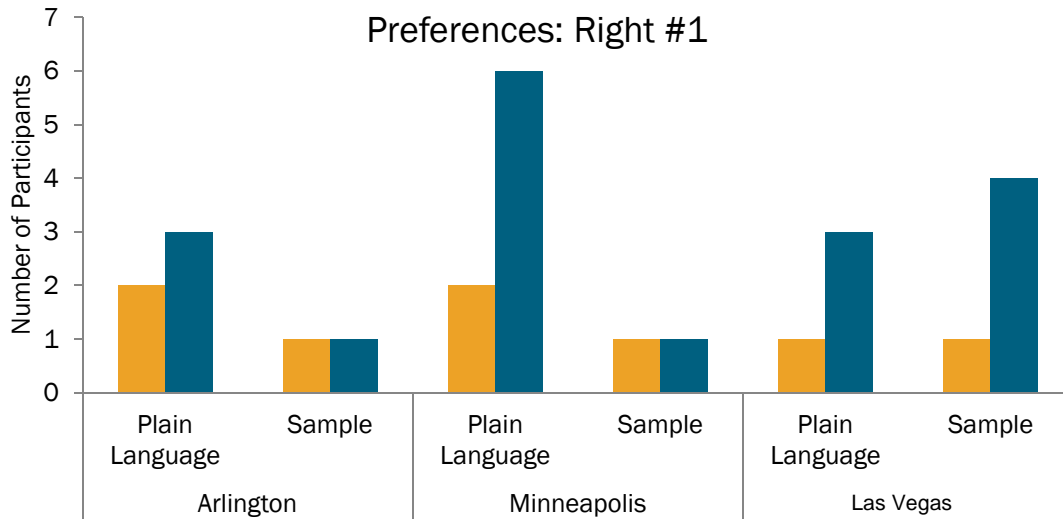
- “This is a plus that they say ‘Under Federal Law.’ It's good to see this in the letter that we are protected under federal law.” *Arlington, Debt Collection Experience*
- “I like how it has ‘Under Federal Law’ above, and it's broken down into bullet points so it's not just sentences. The ‘Under Federal Law’ makes it feel like I can go to somebody else if I'm being harassed.” *Las Vegas, No Debt Collection Experience*
- “There's no mention of federal law on it [Sample]. It doesn't seem so much like a law. It seems like it's their policy.” *Arlington, Debt Collection Experience*
- “It [Plain Language] is giving you more options because it says ‘Under Federal Law.’ It lets you know that you have the law behind you, and you can find out what options you really have.” *Las Vegas, No Debt Collection Experience*
- “I don't like the ‘we are required’ aspect [Plain Language]. It doesn't sound as friendly. We don't want to do this, but ‘Under Federal Law,’ we will because we have to.” *Arlington, No Debt Collection Experience*
- “‘Under Federal Law’ gives it a sense of urgency.” *Minneapolis, Debt Collection Experience*

The first three Consumer Rights listed on the Sample and Plain Language forms described the same rights but with different language. With the Sample and Plain Language forms side by side, participants made comparisons and described their preferences. The first right that participants compared is shown in the table below.

Preferences & Behavioral Impact: Right #1

| Right #1 | |
|----------------|--|
| Plain Language | If you dispute all or any part of this debt, you must tell us within 30 days of receiving this notice or we will assume the debt is valid. For example, you may dispute the debt if you believe the debt is not yours or that the amount requested is wrong. |
| Sample | Unless you notify this office within 30 days after receiving this notice that you dispute the validity of the debt, or any portion thereof, this office will assume this debt is valid. |

Participants tended to prefer this right in the Plain Language form over the Sample form. The figure below outlines the distribution of preferences across each testing location.



Participants said they preferred this right in the Plain Language form because it was shorter and more to the point than in the Sample form.

- “That one [Sample] is harder to understand. It seems more redundant, it doesn't feel as clear with the wording.” *Arlington, No Debt Collection Experience*
- “I like it [Plain Language] better. I understood both, but the language in it [Plain Language] is more basic. The other one [Sample] seems a little more abrasive. This one [Plain Language] is nicer, you could say.” *Arlington, Debt Collection Experience*

Some participants preferred Sample over Plain Language because Sample was more direct.

- “The Sample form is more direct.” *Minneapolis, Debt Collection Experience*
- “The way the organization and phrasing is set up in this one [Sample], I like it more.” *Arlington, Debt Collection Experience*
- “I think it [Sample] tells you what you need to know. The other [Plain Language] goes off and you kind of get swamped a little bit. You don't need examples. If you don't agree with it then you already have that in your mind.” *Minneapolis, No Debt Collection Experience*

In the Plain Language form, examples describing why a consumer might dispute a debt were given. Participants had mixed reactions to the examples. Without being prompted, nine participants (two from Arlington, four from Minneapolis, and three from Las Vegas) mentioned the examples while describing their preferences. Five participants said the examples were clear and aided in their understanding of what they could do if they had a dispute. These participants said they preferred the examples because they added an additional explanation and informed them about situations that could be grounds for a dispute.

- “[In the Plain Language form] I didn't get an option of how or what I might be disputing. It gives me an example. I can see with the example what the grounds are to fight it.” *Arlington, Debt Collection Experience*
- “I prefer it [Plain Language] because of the example.” *Minneapolis, No Debt Collection Experience*

- “It’s [Plain Language] also attempting to help you out more by giving you the examples.” *Minneapolis, Debt Collection Experience*
- “It [Plain Language] gives me more information with the ‘for example.’ It seems to be more welcoming and makes me feel like I have an option.” *Minneapolis, Debt Collection Experience*
- “I like it, and it makes it clearer about why you can dispute the debt.” *Las Vegas, No Debt Collection Experience*

Four participants (one from Arlington, one from Minneapolis, and two from Las Vegas) had negative reactions to the examples. They said they disliked the examples because they did not include all the reasons a person could dispute a debt, and they did not add to their interpretation of the right.

- “It [Plain Language] could be shorter. They could take out the example.” *Arlington, Debt Collection Experience*
- “You don’t need examples. If you don’t agree with it, then you already have that in your mind.” *Minneapolis, No Debt Collection Experience*
- “In the example, it doesn’t tell me what to do if my card was stolen or something like that.” *Las Vegas, Debt Collection Experience*
- “It [Sample] is more to the point. You don’t need a ‘for example.’ How do you know that the amount requested is wrong?” *Las Vegas, Debt Collection Experience*

Overall, the first right was comprehended well. Specific language from the notice was easy to understand. For example, participants had a clear understanding of “dispute.”

- “If you don’t believe the amount is yours, you don’t feel like you owe the debt for any reason.” *Las Vegas, No Debt Collection Experience*
- “You don’t agree that you owe this amount.” *Arlington, No Debt Collection Experience*

The impact of this right on the debt collection process was comprehended with high accuracy. All participants identified that after 30 days, it would be assumed that “the debt was mine.” Participants said they knew to “call” or “write” to seek clarification if they had any type of dispute over the debt.

Preferences & Behavioral Impact: Right #2

| Right #2 | |
|----------------|---|
| Plain Language | If you write us to dispute this debt within 30 days of receiving this notice, we are required to send you verification of the debt. |
| Sample | If you notify this office in writing within the 30-day period that the debt, or any portion thereof, is disputed, this office will obtain verification of the debt or obtain a copy of the judgment and mail you a copy of such judgment or verification. |

The second right was preferred more on the Plain Language form than on the Sample form. Participants tended to prefer this right on the Plain Language form because it was more concise than on the Sample form.

- “This one [Sample] is horrible. The language used here is ridiculous, and it's blatantly trying to confuse you. It doesn't sound like anyone actually talks like this; it has all these hanging phrases in the middle of the sentence.” *Arlington, Debt Collection Experience*
- “The one on the left [Plain Language] is a simpler way of saying what is in the other one [Sample], which is really drawn out.” *Arlington, Debt Collection Experience*
- “I think I like it [Plain Language] better. It kind of seems a bit nicer. It says they are required to give you that information.” *Minneapolis, Debt Collection Experience*
- “It's [Plain Language] easier to read; it says the same thing except is a lot clearer.” *Minneapolis, Debt Collection Experience*
- “That one [Sample] just has way too many words. This one [Plain Language] just tells me they are going to send me some documents and some papers.” *Las Vegas, Debt Collection Experience*

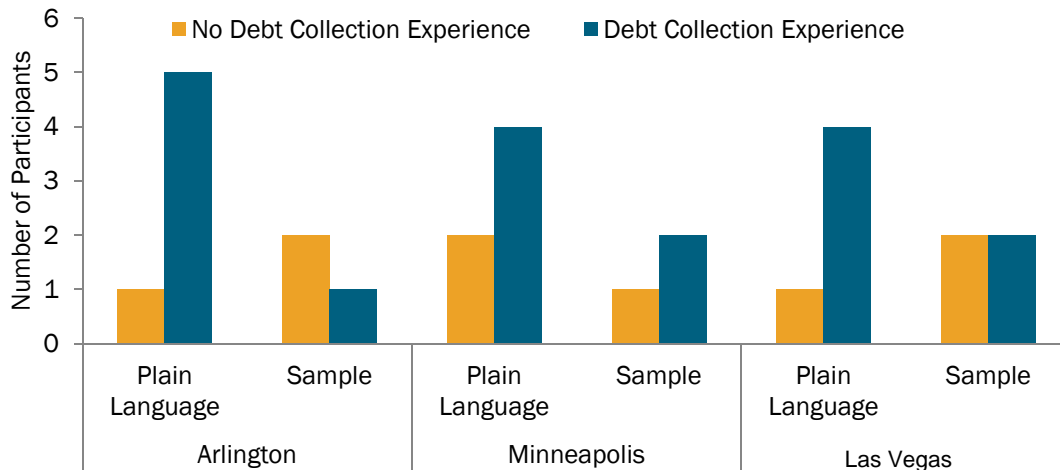
Some participants said they preferred this right on the Sample form. They said they had a better understanding of what they could expect to receive back as verification.

- “This [Sample] is more direct and it lays out what you need to do to go forward to pay the debt.” *Arlington, Debt Collection Experience*
- “I like the addition of ‘...if different from the current creditor...’ This [Plain Language] seems like they are just going to send you the name and address; the other [Sample] seems like you'll be getting additional information.” *Minneapolis, Debt Collection Experience*
- “They explain it a little more here [Sample]. It [Sample] says it will send you exactly what you need. It sounds like they already have all the proof that you owe.” *Las Vegas, Debt Collection Experience*
- “I'd prefer to receive this one [Sample]. They say more about what they are going to do. It tells me what information is and how I am going to get it.” *Las Vegas, Debt Collection Experience*

The figure below outlines the distribution of preferences for the second Consumer Right across each testing location. Participants also said they preferred the second right on the Plain Language form because it said “...we are required to send...” Participants said that phrasing made this right seem more trustworthy on the Plain Language form than on the Sample form. “It [Plain Language] seems more valid because it says they are required to give you the information you ask for.” *Minneapolis, Debt Collection Experience*

- “I like it [Plain Language] better because they are required to send you verification of the debt.” *Las Vegas, Debt Collection Experience*

Preferences: Right #2



Some participants said they saw the use of “...we are required to send...” as unfriendly and an indication that ABC Financial did not want to comply with the request.

- “I like it [Sample] more because when you say ‘required,’ it doesn't sound like they want to do it. I don't like the required aspect; it doesn't sound as friendly. We don't want to do this, but under federal law, we will because we have to.” *Arlington, No Debt Collection Experience*
- “Being required to do something isn't something you want to do.” *Minneapolis, Debt Collection Experience*

Evidence suggested that some participants knew a written letter was needed to dispute a debt, but others said they would call the collector. Because of concerns about inadvertently acknowledging a debt as one's own, one participant from Las Vegas with Debt Collection Experience said he would be wary about submitting any written document.

- “I would write them a letter and say my debt with the service provider is not the amount that you are telling me that I owe.” *Las Vegas, No Debt Collection Experience*
- “Why do you have to write? Why can't you call?” *Las Vegas, Debt Collection Experience*
- “Because I don't know exactly how I would be acknowledging the debt, I would not write to dispute.” *Las Vegas, Debt Collection Experience*
- “To dispute, I guess I'd have to call up. I'm not sure who I'd call. I guess you'd have to call up Main Street Corporation.” *Las Vegas, No Debt Collection Experience*
- “You would have to let them know in a letter, and they would look into it.” *Minneapolis, No Debt Collection Experience*
- “If I knew it wasn't mine, I'd call.” *Minneapolis, Debt Collection Experience*

Participants said they did not like the wording “portion thereof” in the Sample form. They said it was too complex and difficult to understand.

- “‘Portion thereof,’ they could make it more simple for the common person.” *Las Vegas, Debt Collection Experience*

- “‘Any portion thereof,’ I hate when they use that.” *Las Vegas, Debt Collection Experience*
- “This form [Sample] has stuff that doesn’t necessarily need to be in there, like ‘portion thereof.’” *Minneapolis, Debt Collection Experience*

Additionally, participants said the exact meaning of “verification” and the length of time before the “verification” would be sent in the mail was unclear.

- “I don’t know how long it takes to verify all of this. Is it a month? A week?” *Minneapolis, No Debt Collection Experience*
- “How long would it take to get the verification?” *Minneapolis, Debt Collection Experience*
- “Judgment and verification can be difficult to understand.” *Arlington, Debt Collection Experience*
- “Verification could be something that is another letter saying we got it.” *Arlington, Debt Collection Experience*
- “It’s telling me that I am going to get the name and address. For the verification of the debt, I’m not sure I’d get that information at all.” *Las Vegas, Debt Collection Experience*

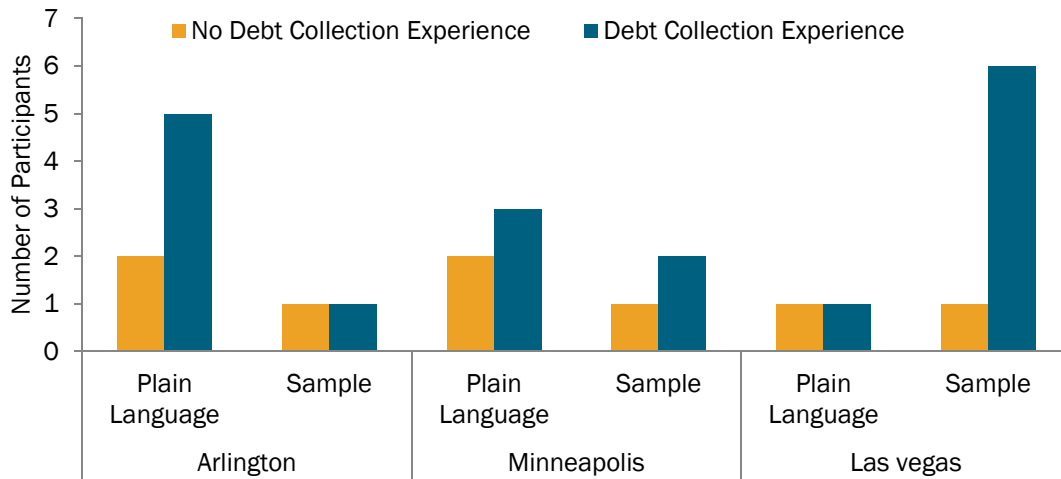
Preferences & Behavioral Impact: Right #3

| Right #3 | |
|----------------|---|
| Plain Language | If you write us within 30 days of receiving this notice to request the name and address of the original creditor, we are required to give you that information. |
| Sample | If you request this office in writing within 30 days after receiving this notice, this office will provide you the name and address of the original creditor, if different from the current creditor. |

For the third right, relating to the original creditor’s name and address, participants in Arlington said they tended to prefer the Plain Language form over the Sample form, while participants in Las Vegas tended to prefer the Sample form. In Minneapolis, no clear preference was observed. The figure below outlines the distribution of preferences across testing locations. In the Debt Information Box, participants said they understood the term “original creditor,” but in the context of this right, participants said they were confused about the term.

- “What does this mean: ‘If different from the original creditor’ ”? *Arlington, Debt Collection Experience*
- “It just tells me that they are going to send me the name of the original creditor, so I would assume the name of the creditor at the top is not the original creditor.” *Las Vegas, No Debt Collection Experience*

Preferences: Right #3



Many participants said they preferred the Plain Language form because it “had less words,” “was more personal,” and “was more to the point.” For the participants who preferred the way the third right was described in the Sample form, they said the phrasing sounded more official than in the Plain Language form. One Minneapolis Debt Collection Experience participant that preferred this right on the Plain Language form said the Sample form was more “in depth” in its description on the right.

- “It [Sample] gives you a little more information and tells you that you will receive more in return.” *Minneapolis, Debt Collection Experience*
- “It [Sample] is informative; it says what they will be sending you.” *Minneapolis, Debt Collection Experience*
- “It [Sample] is saying what the information is that they are going to send you. It's telling me that I am going to get the name and address, and the verification of the debt. I'm not sure I'd get that information at all in this one [Plain Language].” *Las Vegas, Debt Collection Experience*

Additional Consumer Rights

Arlington

In Arlington, four Additional Consumer Rights were tested. The first Additional Consumer Right is displayed below.

Additional Consumer Right #1: Arlington

If you tell us that any time or place is inconvenient, we cannot contact you at that time or place. For example, if you tell us not to call you on your work telephone, we must comply. If you tell us not to contact you in any way while you are at work, we must comply.

Nine of ten participants made positive comments when reading this Additional Consumer Right. One participant with Debt Collection Experience said: “This would be a problem

because a person could get them in trouble by saying don't call me. People would use that as an excuse to not pay their debt." One participant with No Debt Collection Experience said she was skeptical about whether collection agencies would actually follow this regulation: "They are going to find a loophole and find a way to call me."

When asked by the moderator, all participants said they thought that the definition of an inconvenient time and place would differ based on their personal situation. Definitions of inconvenient times and places were mostly related to work, travel, and early or late hours of the day.

- "An inconvenient time would be something that would cause you any trouble, no matter what the time is." *Arlington, Debt Collection Experience*
- "An inconvenient time or place would be a place you could get in trouble by work, when you are going to be driving, or could incur fees because you are out of the country." *Arlington, No Debt Collection Experience*
- "An inconvenient time or place would be a time I could not talk to them, like a Sunday when I am watching football." *Arlington, Debt Collection Experience*
- "An inconvenient place or time would be anything that I say. I don't have to give a reason; it's just at my discretion." *Arlington, Debt Collection Experience*

When prompted by the moderator, all participants with Debt Collection Experience said the example was helpful, except one.

- "Examples are helpful in other places, but here it is too much. They repeat it too much." *Arlington, Debt Collection Experience*

The second Additional Consumer Right tested in Arlington is listed below.

Additional Consumer Right #2: Arlington

We cannot contact you at work if we know or have reason to know that your employer does not allow such communication.

Five participants (four with Debt Collection Experience and one with No Debt Collection Experience) had negative reactions to the second Additional Consumer Right. Participants said it was confusing, repetitive, and easily ignored by debt collectors. The negative reactions to the right reflect concern that the collectors can't be trusted to follow this rule. The negative reactions were not related to the wording of the right, as all participants said the language was clear. Rather, the concern was related to the fact that participants said they expected debt collectors to break this rule.

- "It's repetitive with the previous point. It's kind of confusing; the collector is going to play dumb and pretend they didn't know." *Arlington, Debt Collection Experience*
- "I shouldn't have to provide them with the times when I cannot be called. They should just know not to call me at work." *Arlington, No Debt Collection Experience*
- "I feel more safe reading the bullet that is above this one than I do for this one. This one makes me think that they might call me at work or my boss." *Arlington, Debt Collection Experience*

- “‘Contact me at work’—does that mean my work number? My cell number? That's not clear. It reads a little unclear to me.” *Arlington, Debt Collection Experience*

The third Additional Consumer Right tested in Arlington is listed below.

Additional Consumer Right #3: Arlington

We cannot contact you before 8 a.m. or after 9 p.m., except under limited circumstances.

All participants said they understood the purpose of the third Additional Consumer Right. Participants said the right was easy to understand. However, many participants said they did not know what “limited circumstances” were. The moderator asked participants about the importance of this right. Despite having uncertainty about what “limited circumstances” meant, participants did not say that uncertainty reduced the overall importance of this Additional Consumer Right. One participant with Debt Collection Experience said this right was the most important part of the entire form because it would protect him from unwanted harassment. Many comments from participants highlight the confusion they said they had with the concept of “limited circumstances.”

- “It's a cliffhanger. They don't say what the limited circumstances are. Except on national holidays? Weekends? There's no way to know. It doesn't reduce the importance, but you just don't know when you fall into one of those ‘limited circumstances.’ ” *Arlington, Debt Collection Experience*
- “It doesn't really say what limited circumstances are. It's vague.” *Arlington, Debt Collection Experience*
- “I don't know what ‘limited circumstances’ mean; they need to have a little more information.” *Arlington, Debt Collection Experience*
- “That's a little confusing. I don't see what time collectors have to actually get in contact with the person in debt.” *Arlington, Debt Collection Experience*

The fourth Additional Consumer Right tested in Arlington is listed below.

Additional Consumer Right #4: Arlington

If you tell us in writing to stop all contact with you, we must stop contacting you. This, alone, does not make the debt go away, and in limited circumstances we may follow up with you.

After reading this right, participants explained that this would make the debt collector “stop all contact with me,” “sell the debt to another company and you will get calls from another company,” and “that they would have to obey my wishes.” Two participants said they were skeptical that the debt collection agency would stop contacting them. The moderator did not ask about whether participants would exercise this right.

- “They won't stop; there's no way. It's a valid debt; you owe them. They are going to do everything they can to get that debt, just like they say how they will use any information to collect the debt. If this was on every notice, no one would ever pay their debt.” *Arlington, Debt Collection Experience*

- “If I don’t want them to contact me at all, I can ask them, but it doesn't matter because they will continue to contact me.” *Arlington, Debt Collection Experience*

Participants’ comments suggested that they understood the phrase, “*This, alone, does not make the debt go away...*” Comments varied on what the exact repercussion would be, but all agreed it would be negative.

- “I assume there would be some other means to follow up because the debt is not canceled; it will still get interest and fees.” *Arlington, No Debt Collection Experience*
- “The debt would be frozen, but it would be bad because I couldn't get other loans because I will have bad credit on file. It could get sold to another credit agency.” *Arlington, Debt Collection Experience*
- “I think the debt would collect more interest, and I would owe a lot more if I didn't make payments.” *Arlington, No Debt Collection Experience*

As with previous Additional Data Elements that mentioned “limited circumstances,” participants said they did not know what the “limited circumstances” in this Additional Consumer Right could be.

Minneapolis

Two Additional Consumer Rights were tested in Minneapolis. The first is shown below.

| Additional Consumer Right #1: Minneapolis |
|---|
| If you write to dispute this debt within 30 days of receiving this notice, we are required to stop collecting until we send you verification of the debt. |

All participants said this point was very important and that reading it would change the actions they would take (i.e., they would try to exercise this right). Comments from participants also suggested they thought that making the request would stop the debt from accruing additional interest and fees.

- “This changes everything. It doesn't say anything about this in the other letter. You have to include this to be considered trustworthy.” *Minneapolis, No Debt Collection Experience*
- “If I knew it wasn’t mine, I would call them because it says what they have to do under federal law. I wouldn’t want more interest to be applied.” *Minneapolis, Debt Collection Experience*
- “It could give them additional time to get some money to pay.” *Minneapolis, No Debt Collection Experience*
- “I would use it as a means to stop harassment. The more confusing part is ‘stop collecting.’ Is it not mine during that period of time? At that point, is it not truly owed by me?” *Minneapolis, Debt Collection Experience*

Participants also said they did not know how long it would take to get verification from the debt collector.

- “I don’t know how long it takes to verify all of this. Is it a month? A week?” *Minneapolis, No Debt Collection Experience*

- “How long would it take to get the verification?” *Minneapolis, Debt Collection Experience*

The second Additional Data Element tested in Minneapolis is shown below.

Additional Consumer Right #2: Minneapolis

For more information about your rights, go to www.consumerfinance.gov/debtcollection.

All participants said they would visit the site, thought it would be trustworthy because it was a .gov website, and had positive reactions to the inclusion of a URL as an additional resource. Participants said they expected to see full lists of consumer rights and resources to help them if they thought they were dealing with a scam.

None of the participants identified it as a CFPB website.

- “Anything with .gov, you normally think is trustworthy. Then again, I don’t trust the government.” *Minneapolis, Debt Collection Experience*
- “Yes, I trust it because it’s a .gov.” *Minneapolis, Debt Collection Experience*
- “It’s trustworthy. It’s the government.” *Minneapolis, Debt Collection Experience*

Las Vegas

In Las Vegas, two Additional Consumer Rights were tested. The first is shown below.

Additional Consumer Right #1: Las Vegas

We must not communicate about your debt with most people, including your employer, neighbors, friends, and relatives (except spouses and parents of minor children).

All participants said this right was important because it would protect their confidentiality and sensitive, personal financial information.

- “It is important to know this information. Maybe you don't want a certain person to know about the debt.” *Las Vegas, Debt Collection Experience*
- “It makes me feel comfortable that they are not going to put unnecessary information out there. It makes me feel more comfortable to know that people won’t know my personal business or my personal mistakes.” *Las Vegas, Debt Collection Experience*
- “It's really none of anyone's business.” *Las Vegas, No Debt Collection Experience*

Comprehension of exactly whom debt collectors could talk to and what the nature of conversations could include varied.

- “Just the spouse or parent of a minor. They can talk about your whereabouts and if you are working.” *Las Vegas, Debt Collection Experience*
- “They can talk to other creditors, but I don’t think they can talk to them about anything.” *Las Vegas, Debt Collection Experience*
- “My parents. They could just ask my name and if they know me or not, and do you have his contact information.” *Las Vegas, Debt Collection Experience*

- “Only spouses or parents of minor children. They can talk about source of income and if you are employed.” *Las Vegas, No Debt Collection Experience*

The second Additional Consumer Right tested in Las Vegas is shown below.

Additional Consumer Right #2: Las Vegas

We must not harass you or be abusive to you. For example, we must not threaten you with violence and we must not use obscene or profane language. We also must not intentionally harass or annoy you by repeatedly or continuously calling.

All participants said this right was another measure to protect the individual in debt, though there was skepticism about how much collectors would comply with this regulation.

- “They have to be nice when they call; they can't scream and yell and threaten you.” *Las Vegas, Debt Collection Experience*
- “I have experience with this. They harass a lot.” *Las Vegas, Debt Collection Experience*
- “That's what they say, but I know in the past they will still call you after dark and call on Sundays.” *Las Vegas, Debt Collection Experience*
- “We are not supposed to harass you, but we will.” *Las Vegas, Debt Collection Experience*

All participants said they were already aware that collectors should not harass or use profane language in communications and that the example generally did not add to their understanding. Five participants (four with Debt Collection Experience and one with No Debt Collection Experience) said the example was not necessary.

- “It's just something to say. They don't monitor all of their calls.” *Las Vegas, No Debt Collection Experience*

Participants interpreted “annoy” and “harass” as referring to actions the debt collector takes even after the individual in debt made requests to the collector (e.g., to not call at certain times).

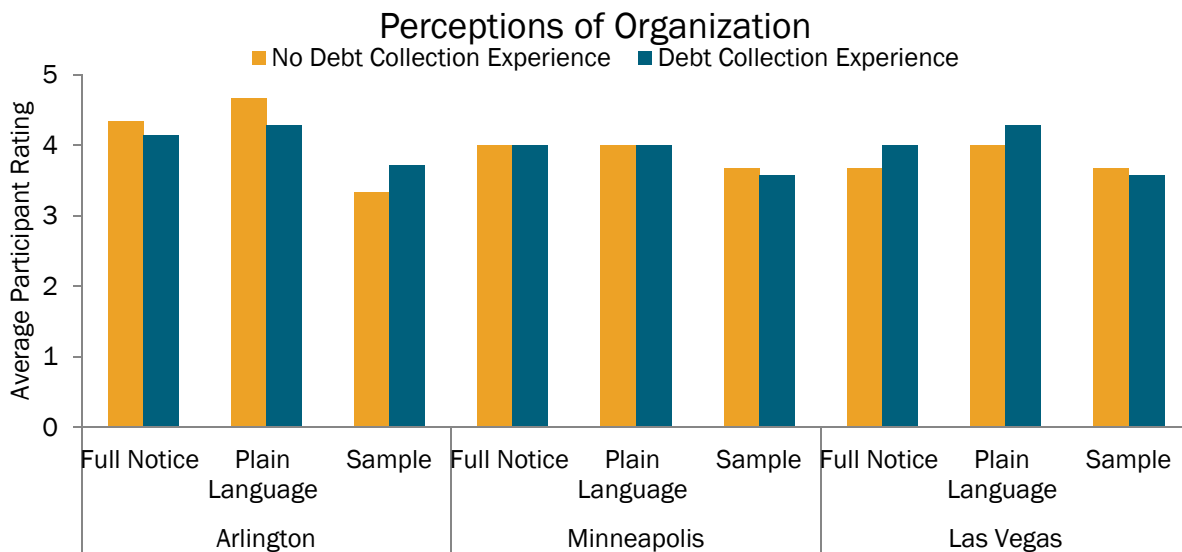
- “Like if you tell them ‘I'm at work,’ but they intentionally call you after you've already told them.” *Las Vegas, Debt Collection Experience*

Participants had mixed responses to the question, “What would be the minimum amount of calls that would be considered repeatedly annoying/harassing?” The table below outlines the responses participants provided.

| Number of Calls Before Contacts Become Repeatedly Annoying/Harassing | |
|--|---|
| Debt Collection Experience | Once per week |
| Debt Collection Experience | 2-3 times per week |
| Debt Collection Experience | 20 times per day |
| Debt Collection Experience | 3 per day |
| Debt Collection Experience | Once per day |
| Debt Collection Experience | Twice per day |
| Debt Collection Experience | Once per week |
| No Debt Collection Experience | Once after requesting an end to all calls |
| No Debt Collection Experience | Once per week |
| No Debt Collection Experience | Once per week |

Organization and Clarity

The Additional Consumer Rights had an impact on perceptions of organization and clarity. After participants familiarized themselves with each notice, they responded to a Satisfaction Questionnaire and explained how they made their choices. Participants said the formatting of the Consumer Rights and Additional Consumer Rights enhanced their perceptions of organization. The figure below displays the distribution of participants' perceptions of organization for each form. Participants rated the organization of each form about the same across locations and debt experience levels, but comments from participants suggested that the Plain Language and Full Notice forms were perceived as having greater levels of organization than the Sample form.

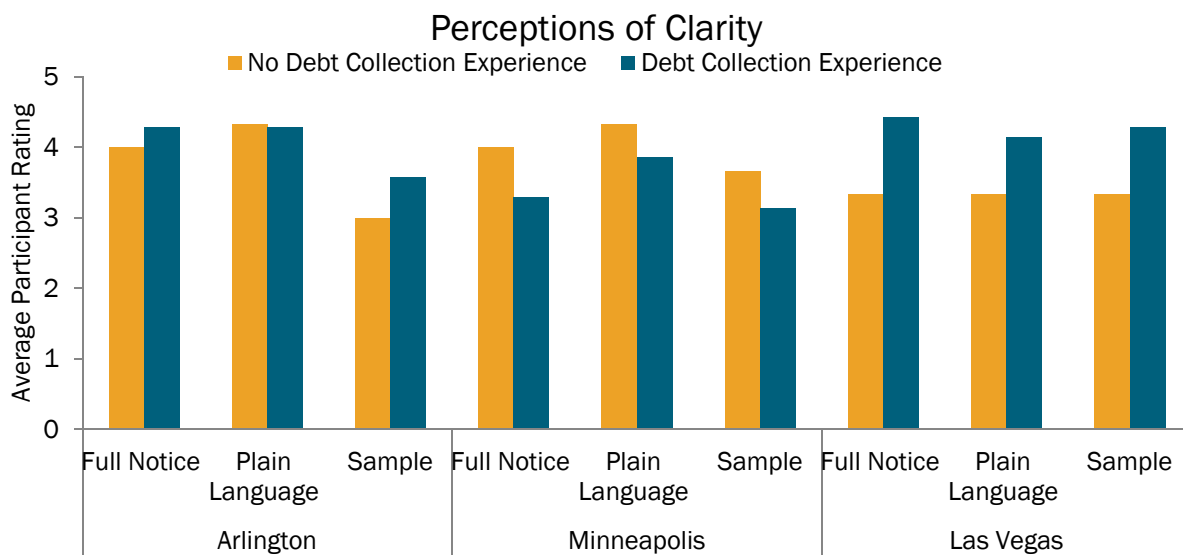


The Consumer Rights and Additional Consumer Rights were presented in bulleted lists on the Plain Language and Full Notice forms, while the Consumer Rights were written as

paragraphs on the Sample form. The majority of participants said they preferred the bulleted list because it made the form seem more organized.

- “I like that its bullet pointed out. Everything is very clear. It's not very technically worded or formatted.” *Arlington, Full Notice, No Debt Collection Experience*
- “The bullet points on there make it seem organized.” *Arlington, Plain Language, No Debt Collection Experience*
- “The one with the bullet points make it more organized than this one [Sample].” *Minneapolis, Sample, Debt Collection Experience*
- “I like how it's bulleted so you can understand all the wording. I like how it's formatted. It's clear to me everything that they need me to do.” *Arlington, Full Notice, Debt Collection Experience*

Similar to the organization ratings of the notices, clarity ratings from the Likert-scale questions did not suggest much of a difference in participant perceptions between the forms. The figure below displays the distribution for perceptions of clarity for each form. In Arlington, the Sample form appeared to be rated as slightly less clear than the Full Notice and Plain Language forms.



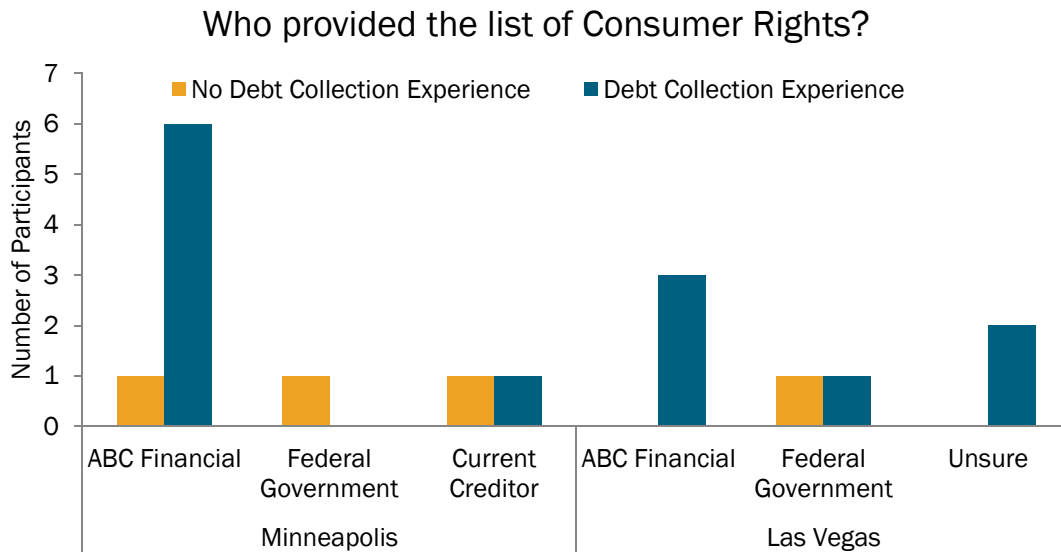
Participant comments suggested that the language in the Sample form was perceived as less clear than in the other two forms.

- “I think the way they write it when it’s short is better.” *Las Vegas, Plain Language, Debt Collection Experience*
- “This one is just asking for money. It doesn't say what your rights are under federal law.” *Las Vegas, Sample, No Debt Collection Experience*
- “You can be overwhelmed and you have to concentrate on what you are reading.” *Minneapolis, Sample, Debt Collection Experience*
- “It tends to repeat itself.” *Arlington, Sample, Debt Collection Experience*

- “It's too much. Like I said, they are trying to explain to you over and over. You only need two little paragraphs; it's confusing. When you finish reading the bottom, you forget the top.” *Arlington, Sample, Debt Collection Experience*

Purpose of Consumer Rights and Additional Consumer Rights

After the participants examined all of the Consumer Rights and Additional Consumer Rights, the moderator asked the participants in Minneapolis and Las Vegas, “Who is giving you this information?” Because of time restrictions across all locations (i.e., this question was asked near the end of the interview session), not all participants answered this question. Responses for the participants who were asked this question are displayed in the table below.



The moderator also asked participants who benefited from the inclusion of Consumer Rights. Comments from participants suggested that they thought the list of Consumer Rights benefited both parties involved: the consumer and the financial corporation. When the moderator asked participants who benefits from the Consumer Rights, participants said:

- “I guess both the company and the person that owes the loan. Obviously, if they don’t follow these, they can be shut down as a company. We need to know this as consumers because it’s important to know rights, and had the company not told us any of this, then we wouldn’t know anything about it in the first place.” *Minneapolis, Debt Collection Experience*
- “The consumer and the person it is being sent to.” *Minneapolis, Debt Collection Experience*
- “The consumer and the creditor.” *Las Vegas, Debt Collection Experience*

Time-Barred and Obsolete Debts

Two descriptions of Time-Barred Debt were tested: one in Minneapolis and one in Las Vegas. The goal of testing this language was to evaluate how well participants comprehended each version and how the language would impact their behavior; specifically, the prioritization of

payments. The Time-Barred and Obsolete Debt descriptions assessed in Minneapolis and Las Vegas are displayed below.

| Time-Barred Debt and Obsolete Debt | |
|------------------------------------|--|
| Minneapolis | The law limits how long you can be sued on a debt. Because of the age of your debt, we will not sue you for it. This could change, for example, if you make a partial payment or acknowledge in writing that you owe the debt. We may report or continue to report your debt to the credit reporting agencies. |
| Las Vegas | Because of the age of your debt, we will not sue you for it. This could change. For example, we may sue you if you make a partial payment or acknowledge in writing that you owe the debt. In most cases, debt as old as yours cannot appear on credit reports by law. |

Comprehension

Participants in Minneapolis and Las Vegas were confused by the information in the Time-Barred and Obsolete Debt sections. The interviews in Minneapolis and Las Vegas did not provide evidence that the wording and sentence structure used to describe the time-barred debts, debt revival, and credit reporting were any better or worse at either location. Across locations, participants said some of their confusion arose from the fact that first it said they cannot be sued, but in subsequent sentences they read that they can be sued on the debt. Comments from participants suggested that confusion arose from the conflicting messages, not from uncertainty about complex wording or jargon. Because of the seemingly contradictory messages, five participants thought they were about to be sued on the debt, regardless of the actions they took.

- “I think the main point is that they are going to sue you soon.” *Las Vegas, Debt Collection Experience*
- “It doesn’t matter that we have payment arrangements; we don’t like you, and one day we’ll sue you.” *Las Vegas, Debt Collection Experience*
- “They are going to sue you soon.” *Las Vegas, Debt Collection Experience*

In addition to the confusion about the contradicting messages that participants mentioned above, they said they found it counterintuitive that their making payment on a debt could lift their protection against a lawsuit on that debt. What they didn’t understand was that payment itself would not prompt a lawsuit, but rather that failure to keep paying could prompt a lawsuit. Specifically, participants from both debt experience levels said they saw making a payment on a debt as a positive action and did not understand how a positive action could result in a negative outcome, such as getting sued. Participants did not report uncertainty with the wording or language used in either location. Rather, they said they were confused about whether the regulation was actually true and what would happen if they wrote to dispute the debt or made a partial payment. Despite the confusion, all participants, except one with debt collection experience in Minneapolis, thought it was important to know their rights about Time-Barred and Obsolete Debts.

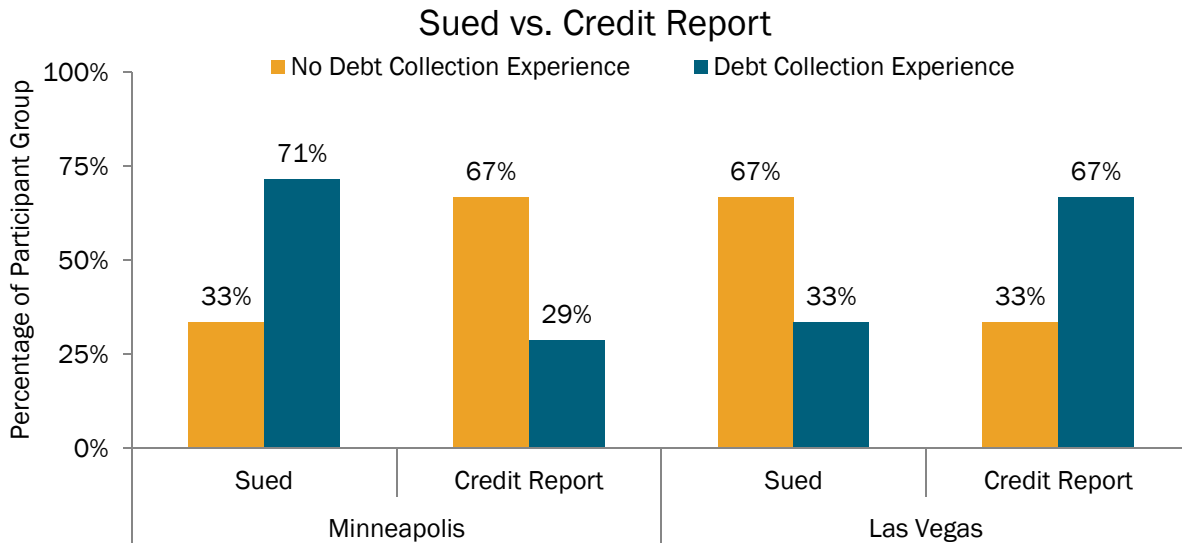
- “It’s ironic that they are asking you to hang yourself by cooperating.” *Minneapolis, No Debt Collection Experience*
- “It makes sense that they could sue you if you write, but if you make partial payments, you are making the effort to pay, so why would you sue them if they are trying to pay?” *Minneapolis, Debt Collection Experience*
- “Why would I want to acknowledge it if they could sue me?” *Las Vegas, No Debt Collection Experience*
- “Why would they sue if I made a partial payment? Why would they punish me for trying to make a payment? They are threatening me a little bit there.” *Las Vegas, Debt Collection Experience*
- “As long as they show effort, people should not be punished. Why would they take action if they are making payments?” *Las Vegas, Debt Collection Experience*

After reading the debt revival language, participants said this knowledge would change their behavior in a variety of ways. Five of seven Debt Collection Experience participants in Minneapolis said they would not prioritize payments on this debt after reading the debt revival language. Of the remaining two Debt Collection Experience participants in Minneapolis, one said he would not know what to do with his payments, and the other said she would try to pay the debt off faster because she could be sued. In Las Vegas, all participants said knowing this information would reduce the likelihood that they would make a payment toward the debt. One participant said she would be hesitant to dispute the debt for fear that she might accidentally be acknowledging the debt as her own.

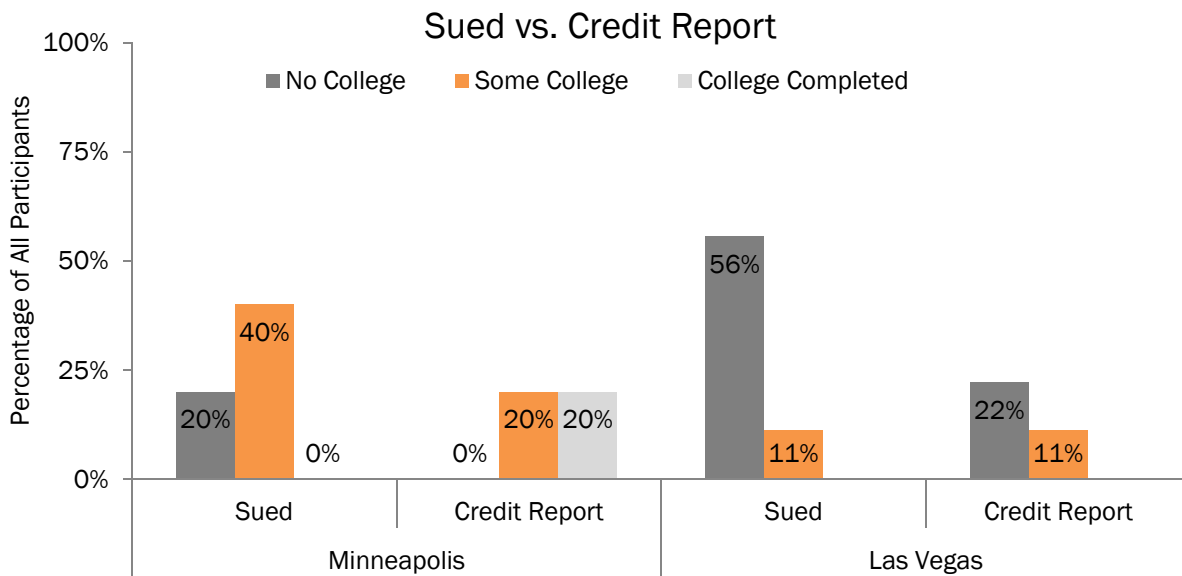
- “If you make a payment or a partial payment, they could turn around and sue you. Yes, it would change my behavior because I wouldn't want to make a payment and get sued.” *Las Vegas, Debt Collection Experience*
- “It’s in my best interest not to make a payment because they can sue me.” *Las Vegas, Debt Collection Experience*

Preferences: Being Sued vs. Credit Reported

Removing the prioritization of making payments on a debt, mentioned by participants after reading the debt revival language, may be related to the threat of legal action. After reading the Time-Barred and Obsolete Debts, participants were asked whether it would be worse to get sued or have the debt placed on their credit report. Results from this question suggest that participants would be concerned about getting sued, but they would also be quite concerned about the impact on their credit report. Across locations and debt experience levels, concern over getting sued and having the debt placed on a credit report were about even (see figure below).



Across education levels, concerns about getting sued versus having the debt put on a credit report were inconclusive; no clear pattern emerged for participants with no college experience, participants with some college experience, and participants having completed college. There appeared to be a slight trend such that participants in Las Vegas with lower education were more concerned with being sued than having their debt put on a credit report. The figure below shows how preferences were split across education levels.



Perception of Examples

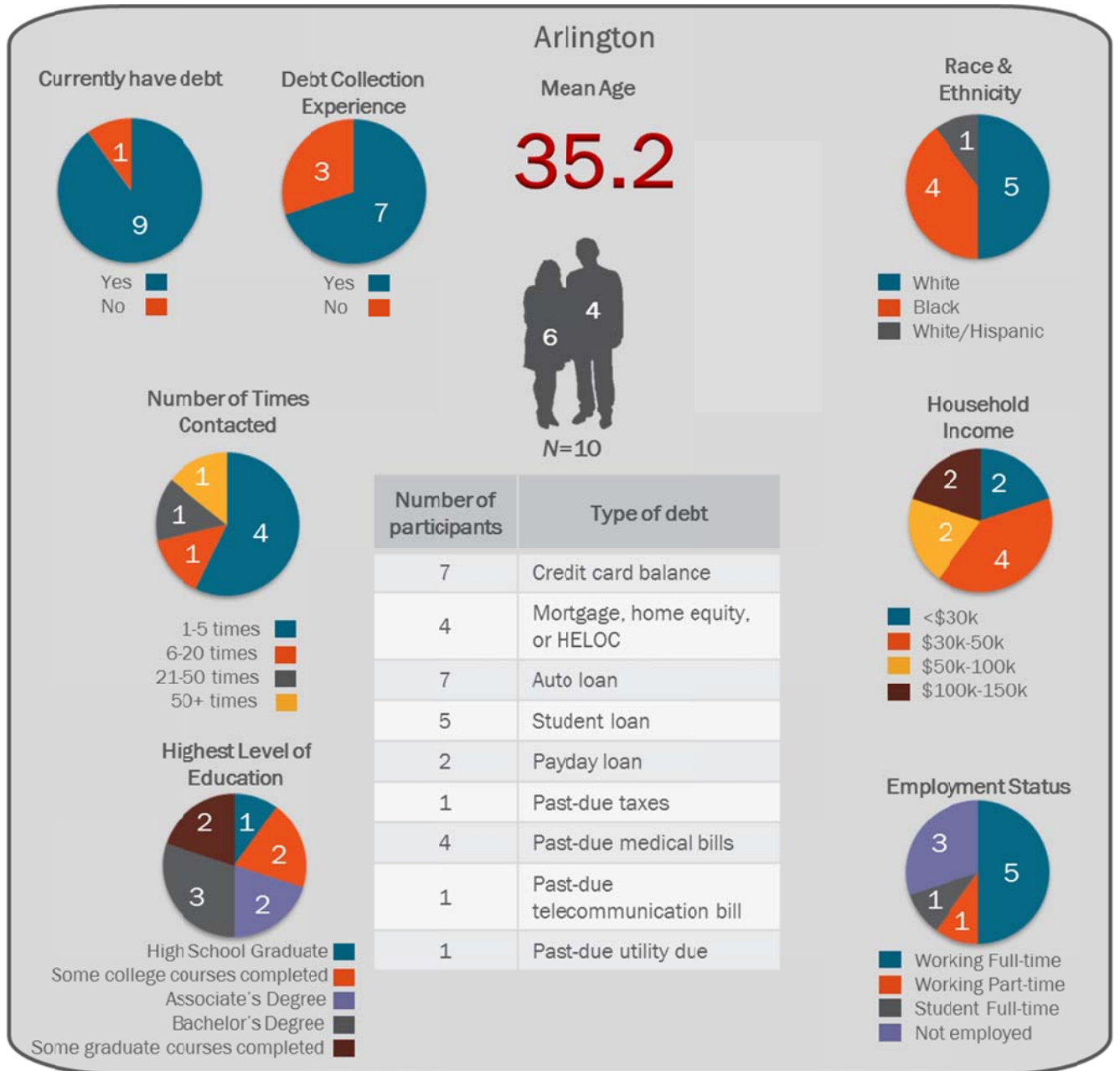
As displayed above, each Time-Barred and Obsolete Debt description included an example of how a consumer's actions could result in a loss of the statute of limitations protections. Participants said the examples in the Time-Barred and Obsolete Debt section did not help

them understand the concepts, and that the examples in this section were not descriptive enough and did not clarify their questions.

- “It’s fine; they contradict themselves, though.” *Las Vegas, Debt Collection Experience*
- “It’s helpful, but you should have more examples for what other reasons it [ability to be sued] could change.” *Las Vegas, No Debt Collection Experience*
- “It’s important, but it’s a little confusing. I’m not quite sure what it all means. What are the reasons?” *Minneapolis, No Debt Collection Experience*
- “It’s not helpful at all. It’s vague enough that it doesn’t help. It’s just people talking. They don’t tell me the limits. There are a lot of maybes. I’d rather have something concrete.” *Minneapolis, Debt Collection Experience*

Participants said the Time-Barred and Obsolete Debt section was an important piece of information to know; however, their comments suggested they were not able to understand the legal significance of the information. Participants were especially confused by the conflicting message that was present in both sections. Specifically, the description first said that the person could not be sued because of the age of the debt, but subsequent sentences said the person could be sued if things changed. Participants in Minneapolis and Las Vegas said they did not know how or why those things could change and expressed a great deal of confusion while attempting to explain the main points of the section. Participants said they were concerned about being sued and having their debt put on a credit report in nearly equal proportions based on debt experience and education levels. The examples that aimed to further explain the intricacies of Time-Barred and Obsolete Debt were not as successful as some of the examples used in the Consumer Rights section.

Appendix A: Demographics



Minneapolis

Currently have debt



Yes No

Debt Collection Experience



Yes No

Mean Age

35.6



N=10

Race & Ethnicity



White
Black
White/Hispanic
American Indian/Alaskan Native

Number of Times Contacted



1-5 times
6-20 times

Highest Level of Education



High School Graduate
Some college courses completed
Bachelor's Degree
Post-graduate Degree

| Number of participants | Type of debt |
|------------------------|---------------------------------|
| 4 | Credit card balance |
| 1 | Mortgage, home equity, or HELOC |
| 2 | Auto loan |
| 6 | Student loan |
| 2 | Other consumer or personal loan |
| 1 | Auto title loan |
| 1 | Past-due taxes |
| 3 | Past-due medical bills |
| 2 | Past-due telecommunication bill |
| 2 | Past-due utility due |

Household Income



<\$30k
\$50k-100k

Employment Status



Working Full-time
Working Part-time
Student Full-time
Student Part-time
Retired
Not employed

Las Vegas

Currently have debt



Yes
No

Debt Collection Experience



Yes
No

Mean Age

46



N=10

Race & Ethnicity



White
Black
Filipino
White/Hispanic

Number of Times Contacted



1-5 times
6-20 times
50+ times

Highest Level of Education



Less than High School
High school graduate
Some college courses completed

| Number of participants | Type of debt |
|------------------------|---------------------------------|
| 7 | Credit card balance |
| 1 | Mortgage, home equity, or HELOC |
| 1 | Auto loan |
| 2 | Student loan |
| 4 | Other consumer or personal loan |
| 1 | Auto title loan |
| 1 | Payday loan |
| 3 | Legal expense |
| 2 | Past-due taxes |
| 8 | Past-due medical bills |
| 5 | Past-due telecommunication bill |
| 6 | Past-due utility due |

Household Income



<\$30k
\$30k-50k

Employment Status



Working Full-time
Working Part-time
Retired
Self employed
Disabled
Not employed

Appendix B: Full Notices

Arlington

P.O. Box 77654
Main Town, USA 00123



9/23/2014

Address Service Requested

A98 A97



[INSERT NAME]
5429 Campbell St.
Unit #804
Arlington, VA 22201-2824



ABC Financial Group
www.ABCFinancial.com

Current Creditor: Main Street Bank
Original Creditor: Bank of USA
Brand: Casey's Department Store

Amount of debt: \$1,234.56
Principal: \$950.00
Interest: \$234.56
Fees: \$50.00

Consumer SSN: xxx-xx-6789

ABC Financial Group
P.O. Box 77654
Main Town, USA 00123



Please detach at perforation and return with your payment.

We are a debt collector, attempting to collect a debt. We will use any information you give us for that purpose.

Your account in the amount of \$1,234.56, owed to Main Street Bank, has been placed with ABC Financial Group for collections. Please remit payment in full, payable to ABC Financial Group, in the enclosed envelope.

Under Federal law:

- If you dispute all or any part of this debt, you must tell us within 30 days of receiving this notice or we will assume the debt is valid. For example, you may dispute the debt if you believe the debt is not yours or that the amount requested is wrong.
- If you write us to dispute this debt within 30 days of receiving this notice, we are required to send you verification of the debt.
- If you write us within 30 days of receiving this notice to request the name and address of the original creditor, we are required to give you that information.
- If you tell us that any time or place is inconvenient, we cannot contact you at that time or place. For example, if you tell us not to call you on your work telephone, we must comply. If you tell us not to contact you in any way while you are at work, we must comply.
- We cannot contact you at work if we know or have reason to know that your employer does not allow such communication.
- We cannot contact you before 8 am or after 9 pm, except under limited circumstances.
- If you tell us in writing to stop all contact with you, we must stop contacting you. This, alone, does not make the debt go away, and in limited circumstances we may follow up with you.

Sincerely,
John Doe
(800) 555-5555, ext 454
ABC Financial Group
P.O. Box 77654
Main Town, USA 00123

Minneapolis

P.O. Box 77654
Main Town, USA 00123



10/6/2014

Address Service Requested

A98 A97



[INSERT NAME]
5429 Campbell St.
Unit #804
Minneapolis, MN 55404-2824



ABC Financial Group
www.ABCFinancial.com

Creditor: Main Street Bank
Type of Debt: Student Loan
Creditor's Account No.: 56643-134-11145
Amount of debt: \$1,234.56
Amount at charge-off: \$950.00
Penalties, interest, fees after charge-off: \$284.56

Consumer Date of Birth: 12/3/75

ABC Financial Group
P.O. Box 77654
Main Town, USA 00123

ABC Financial Group is a debt collector. We are attempting to collect a debt. We will use any information you give us for that purpose.

Your account in the amount of \$1,234.56, owed to Main Street Bank, has been placed with ABC Financial Group for collections. Please remit payment in full, payable to ABC Financial Group, in the enclosed envelope.

Under Federal law:

- If you dispute all or any part of this debt, you must tell us within 30 days of receiving this notice or we will assume the debt is valid. For example, you may dispute the debt if you believe the debt is not yours or that the amount requested is wrong.
- If you write us within 30 days of receiving this notice to request the name and address of the original creditor, we are required to give you that information.
- If you write us to dispute this debt within 30 days of receiving this notice, we are required to send you verification of the debt.
- If you write us to dispute this debt within 30 days of receiving this notice, we are required to stop collecting until we send you verification of the debt.

The law limits how long you can be sued on a debt. Because of the age of your debt, we will not sue you for it. This could change, for example, if you make a partial payment or acknowledge in writing that you owe the debt. We may report or continue to report your debt to the credit reporting agencies.

For more information about your rights, go to www.consumerfinance.gov/debtcollection.

Sincerely,
John Doe
(800) 555-5555, ext 454
ABC Financial Group
P.O. Box 77654
Main Town, USA 00123

Las Vegas

P.O. Box 77654
Main Town, USA 00123



10/20/2014

Address Service Requested

A98 A97



[INSERT NAME]
5429 Campbell St.
Unit #804
Las Vegas, NV 89101-2824



ABC Financial Group
www.ABCFinancial.com

Current Creditor: Main Street Corp.
Prior Creditors: Bank of USA; Pace Bank
Prior Collectors: XYZ Credit Corp.; USA
Recovery Services; ACME Services; Marvin
& Johnson

Amount of debt: \$1,234.56
Amount of your last charge: \$56.00
Date of your last charge: 1/2/2003

ABC Financial Group
P.O. Box 77654
Main Town, USA 00123

ABC Financial Group is a debt collector. We are attempting to collect a debt. We will use any information you give us for that purpose.

Your account in the amount of \$1,234.56, owed to Main Street Corporation, has been placed with ABC Financial Group for collections. Please remit payment to ABC Financial Group in the enclosed envelope.

Under Federal law:

- If you dispute all or any part of this debt, you must tell us within 30 days of receiving this notice or we will assume the debt is valid. For example, you may dispute the debt if you believe the debt is not yours or that the amount requested is wrong.
- If you write us within 30 days of receiving this notice to request the name and address of the original creditor, we are required to give you that information.
- If you write us to dispute this debt within 30 days of receiving this notice, we are required to send you verification of the debt.
- We must not communicate about your debt with most people, including your employer, neighbors, friends, and relatives (except spouses and parents of minor children).
- We must not harass you or be abusive to you. For example, we must not threaten you with violence and we must not use obscene or profane language. We also must not intentionally harass or annoy you by repeatedly or continuously calling.

Because of the age of your debt, we will not sue you for it. This could change. For example, we may sue you if you make a partial payment or acknowledge in writing that you owe the debt.

In most cases, debt as old as yours cannot appear on credit reports by law.

Sincerely,
John Doe
(800) 555-5555, ext 454
ABC Financial Group
P.O. Box 77654
Main Town, USA 00123

Appendix C: Plain Language Notices

Arlington

P.O. Box 77654
Main Town, USA 00123



9/23/2014

Address Service Requested

A98 A97



[INSERT NAME]
5429 Campbell St.
Unit #804
Arlington, VA 22201-2824



ABC Financial Group
www.ABCFinancial.com

Creditor: Main Street Bank
Amount of debt: \$1,234.56

ABC Financial Group
P.O. Box 77654
Main Town, USA 00123



Please detach at perforation and return with your payment.

We are a debt collector, attempting to collect a debt. We will use any information you give us for that purpose.

Your account in the amount of \$1,234.56, owed to Main Street Bank, has been placed with ABC Financial Group for collections. Please remit payment in full, payable to ABC Financial Group, in the enclosed envelope.

Under Federal law:

- If you dispute all or any part of this debt, you must tell us within 30 days of receiving this notice or we will assume the debt is valid. For example, you may dispute the debt if you believe the debt is not yours or that the amount requested is wrong.
- If you write us to dispute this debt within 30 days of receiving this notice, we are required to send you verification of the debt.
- If you write us within 30 days of receiving this notice to request the name and address of the original creditor, we are required to give you that information.

Sincerely,
John Doe
(800) 555-5555, ext 454
ABC Financial Group
P.O. Box 77654
Main Town, USA 00123

Minneapolis

P.O. Box 77654
Main Town, USA 00123



10/6/2014

Address Service Requested

A98 A97



[INSERT NAME]
5429 Campbell St.
Unit #804
Minneapolis, MN 55404-2824



ABC Financial Group
www.ABCFinancial.com

Creditor: Main Street Bank
Amount of debt: \$1,234.56

ABC Financial Group
P.O. Box 77654
Main Town, USA 00123

ABC Financial Group is a debt collector. We are attempting to collect a debt. We will use any information you give us for that purpose.

Your account in the amount of \$1,234.56, owed to Main Street Bank, has been placed with ABC Financial Group for collections. Please remit payment in full, payable to ABC Financial Group, in the enclosed envelope.

Under Federal law:

- If you dispute all or any part of this debt, you must tell us within 30 days of receiving this notice or we will assume the debt is valid. For example, you may dispute the debt if you believe the debt is not yours or that the amount requested is wrong.
- If you write us within 30 days of receiving this notice to request the name and address of the original creditor, we are required to give you that information.
- If you write us to dispute this debt within 30 days of receiving this notice, we are required to send you verification of the debt.

Sincerely,
John Doe
(800) 555-5555, ext 454
ABC Financial Group
P.O. Box 77654
Main Town, USA 00123

Las Vegas

P.O. Box 77654
Main Town, USA 00123



10/20/2014

Address Service Requested

A98 A97



[INSERT NAME]
5429 Campbell St.
Unit #804
Las Vegas, NV 89101-2824



ABC Financial Group
www.ABCFinancial.com

Creditor: Main Street Corp.
Amount of debt: \$1,234.56

ABC Financial Group
P.O. Box 77654
Main Town, USA 00123

ABC Financial Group is a debt collector. We are attempting to collect a debt. We will use any information you give us for that purpose.

Your account in the amount of \$1,234.56, owed to Main Street Corporation, has been placed with ABC Financial Group for collections. Please remit payment to ABC Financial Group in the enclosed envelope.

Under Federal law:

- If you dispute all or any part of this debt, you must tell us within 30 days of receiving this notice or we will assume the debt is valid. For example, you may dispute the debt if you believe the debt is not yours or that the amount requested is wrong.
- If you write us within 30 days of receiving this notice to request the name and address of the original creditor, we are required to give you that information.
- If you write us to dispute this debt within 30 days of receiving this notice, we are required to send you verification of the debt.

Sincerely,
John Doe
(800) 555-5555, ext 454
ABC Financial Group
P.O. Box 77654
Main Town, USA 00123

Appendix D: Sample Notice

Arlington, Minneapolis, & Las Vegas

P.O. Box 77654
Main Town, USA 00123



9/23/2014

Address Service Requested

A98 A97



[INSERT NAME]
5429 Campbell St.
Unit #804
Arlington, VA 22201-2824



ABC Financial Group
www.ABCFinancial.com

Creditor: Main Street Bank
Amount of debt: \$1,234.56

ABC Financial Group
P.O. Box 77654
Main Town, USA 00123



Please detach at perforation and return with your payment.

This communication is from a debt collector. We are required to inform you that this is an attempt to collect a debt, and any information obtained will be used for that purpose.

Your account in the amount of \$1,234.56, owed to Main Street Bank, has been placed with ABC Financial Group for collections. Please remit payment in full, payable to ABC Financial Group, in the enclosed envelope.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of the debt, or any portion thereof, this office will assume this debt is valid.

If you notify this office in writing within the 30 day period that the debt, or any portion thereof, is disputed, this office will obtain verification of the debt or obtain a copy of the judgment and mail you a copy of such judgment or verification.

If you request this office in writing within 30 days after receiving this notice, this office will provide you the name and address of the original creditor, if different from the current creditor.

Sincerely,
John Doe
(800) 555-5555, ext 454
ABC Financial Group
P.O. Bcx 77654
Main Town, USA 00123

Appendix E: Satisfaction Questionnaire



FORS|MARSH
GROUP

Participant Number: _____
Form 1

Please respond to the following questions:

1. How organized is the format of this notice?

1 - Not at all organized 2 - Slightly organized 3 - Moderately organized 4 - Very organized 5 - Extremely organized

2. How clear is the language in the notice?

1 - Not at all clear 2 - Slightly clear 3 - Moderately clear 4 - Very clear 5 - Extremely clear

3. How trustworthy is the information provided in this notice?

1 - Not at all trustworthy 2 - Slightly trustworthy 3 - Moderately trustworthy 4 - Very trustworthy 5 - Extremely trustworthy