

May 2018

# Academic Research Council

May 2, 2018



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## 1. Meeting of the Academic Research Council

The Academic Research Council (ARC) of the Bureau of Consumer Financial Protection (BCFP) met in person at 1:00 p.m., Eastern on May 2, 2018. The ARC convened at BCFP Headquarters located at 1700 G Street NW, Washington, D.C.

Council members present	BCFP staff present
Karen Dynan	Tom Pahl, Policy Associate Director, Research, Markets, and Regulations
John Lynch, Jr.	David Silberman, Associate Director, Research, Markets, and Regulations
Brigitte Madrian	Ron Borzekowski, Assistant Director, Office of Research
Melvin Stephens, Jr.	Ken Brevoort, Section Chief
	Brian Bucks, Acting Section Chief
	Dustin Beckett, Economist
	Cheryl Cooper, Program Lead for Dynamics of Household Balance Sheets Research Agenda
	Scott Fulford, Economist
	Christa Gibbs, Economist
	Heidi Johnson, Program Lead for Disclosure Research Agenda
	Sergei Kulaev, Economist
	Eva Nagypal, Senior Economist
	Ryan Sandler, Economist

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## 2. BCFP Academic Research Council Meeting Public Session

Tom Pahl, the Policy Associate Director for the Research, Markets and Regulations Division provided opening remarks, introduced the Academic Research Council (ARC) members, and gave a brief background about the purpose of the ARC. Ron Borzekowski, Assistant Director of the Office of Research, then provided an overview of the day's meeting and the meeting's two sessions. The meeting provided a discussion and exchange with ARC members regarding the work the Bureau is currently doing and has done in the past year since the ARClast convened.

In the first session, chaired by Ken Brevoort, Section Chief in the Office of Research, various Office of Research staff provided updates on the Bureau's resources and reports. Mr. Brevoort provided an overview of improvements and products related to one of the Bureau's main (de-identified) administrative data resources, the Consumer Credit Panel (CCP). The CCP provides a comprehensive view of how the financial situation of these consumers is evolving and is very similar to data sources that are used at other government agencies and in private industry. Mr. Brevoort discussed the new report that was created using CCP, the Consumer Credit Trends Report, which is published approximately once every quarter on the Bureau's website, to provide the public with a dashboard of developments in key consumer financial product markets.

Cheryl Cooper, Program Lead for the Dynamics of Household Balance Sheets Research Agenda, then spoke about the improvements the Bureau has made to the CCP in terms of acquiring data on military status and higher quality income information. With this new information, the Bureau will be better able to understand the credit experiences of military families and different populations' more broadly. Ms. Cooper also discussed how all this information was constructed to minimize privacy risks.

Dustin Beckett, Economist, discussed the progress the Office of Research has made in both running laboratory studies independently and in collaboration with university contractors. Thus far, Bureau lab studies have been used to inform the Bureau's Disclosure Research Agenda. He also discussed the mobile laboratory capacity the Bureau is currently building which will allow Bureau's researchers to more easily study diverse and varied populations such as older Americans, service members, or economically vulnerable populations, all populations the bureau is statutorily mandated to serve.

Sergey Kulaev, Economist, provided an overview of the National Survey of Mortgage Originations, a survey conducted quarterly in partnership with the Financial Housing Finance Agency. The survey is mailed to consumers who recently obtained a mortgage in which they are asked about a range of issues such as their experience with the origination process, their expectations, and their life circumstances overall. Mr. Kulaev discussed how the survey was constructed to better

understand the mortgage origination experience of rural versus non-rural consumers and shared findings from the survey.

Scott Fulford, Economist, discussed the Bureau's Making Ends Meet survey which the Bureau recently piloted. He discussed the purpose of the Making Ends Meet survey which is to better understand why consumers run out of money and what the consequences are when they do. Mr. Fulford provided an overview of initial findings from the pilot, including the persistence of cash shortfalls - when consumers do run out of money, they run out of money on a persistent basis – often for up to 6 months at a time. He also shared plans for future surveys and what these surveys are intended to help the Bureau learn.

In the second session, chaired by Brian Bucks, acting Section Chief, Office of Research staff shared various updates regarding the Bureau's research. Heidi Johnson, Program Lead for the Disclosure Research Agenda provided updates on the process by which the Office of Research goes about identifying and supporting research projects as part of its Research Agenda program. These Agendas utilize the Bureau's data and expertise to identify and answer policy relevant and mission relevant questions.

Senior Economist Eva Nagypal and Economist Christa Gibbs then shared findings from the Data Points they each authored. Data points are publications the Office of Research releases

periodically that use the Bureau's unique data resources to share stylized facts and key patterns in consumer finance, consumer financial decision-making or consumer financial markets to expand the Bureau's and others' understanding. In an older Data Point, Bureau's researchers found that overdraft is very concentrated amongst a smaller group of consumers, with most consumers not overdrawing on their accounts. Ms. Nagypal discussed the more recent Data Point she helped produce that examined the small fraction of account holders who frequently overdraft their accounts.

Ms. Gibbs began by discussing a Data Point that was released a few years ago which focused on people who are credit invisible, those consumers that do not have a credit record at any of the three nationwide credit reporting agencies. Ms. Gibbs then discussed the Data Point she recently authored which focused on how consumers transition from credit invisibility to having a credit record.

Ms. Nagypal then provided an overview of the Bureau's working paper series which is a vehicle the Bureau launched in the last couple of years to disseminate research generated by Office of Research staff. The ARC had recommended that the Bureau launch a working paper series to obtain feedback on the Bureau's research work and strengthen its ties to the research community. Ms. Nagypal discussed the various consumer finance related papers Office of Research staff have published in the series which range in topic and research methodology.

In the final segment of the meeting, Economist Ryan Sandler discussed, in depth, findings from the working paper he co-authored on the effect of debt collection laws on consumers access to and the pricing of credit. His paper built on other recent research, including two surveys on debt collection, that the Bureau had already conducted.

The video of the public session is available on [consumerfinance.gov](http://consumerfinance.gov).

### 3. Adjournment

Ron Borzekowski adjourned the meeting of the BCFP Academic Research Council on May 2, 2018 at 4:30 p.m. Eastern.

### 4. Certification

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.

A handwritten signature in black ink, appearing to read "D. Hand".

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Delicia Reynolds Hand  
Assistant Director, Office of Advisory Board and Councils  
Bureau Consumer Financial Protection