

FOR FURTHER INFORMATION CONTACT:

Michelle A. Smith, Assistant to the Board; 202-452-2955.

SUPPLEMENTARY INFORMATION: You may call 202-452-3206 beginning at approximately 5 p.m. two business days before the meeting for a recorded announcement of bank and bank holding company applications scheduled for the meeting; or you may contact the Board's Web site at <http://www.federalreserve.gov> for an electronic announcement that not only lists applications, but also indicates procedural and other information about the meeting.

Dated: April 18, 2003.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. 03-10073 Filed 4-18-03; 3:50 pm]

BILLING CODE 6210-01-P

FEDERAL TRADE COMMISSION

Agency Information Collection Activities; Proposed Collection; Comment Request

AGENCY: Federal Trade Commission.

ACTION: Notice.

SUMMARY: The FTC intends to conduct consumer research to examine: (1) How consumers search for and choose mortgages; (2) how consumers use and understand information about mortgages, including required disclosures; and (3) whether more effective disclosures are feasible. This research will be conducted to further the FTC's mission of protecting consumers and competition in the mortgage market. Before gathering this information, the FTC is seeking public comments on its proposed consumer research. Comments will be considered before the FTC submits a request for Office of Management and Budget (OMB) review under the Paperwork Reduction Act (PRA).

DATES: Comments must be submitted on or before June 23, 2003.

ADDRESSES: Send written comments to Secretary, Federal Trade Commission, Room H-159, 1600 Pennsylvania Avenue, NW., Washington, DC 20580, or by e-mail to: MortgageDS@ftc.gov as prescribed below. The submissions should include the submitter's name, address, telephone number and, if available, FAX number and e-mail address. All submissions should be captioned "Mortgage Disclosure Study—FTC File No. P025505."

FOR FURTHER INFORMATION CONTACT:

Requests for additional information should be addressed to Janis K.

Pappalardo, Economist, Bureau of Economics, Federal Trade Commission, 600 Pennsylvania Avenue, NW., Washington, DC 20580. Telephone: (202) 326-3387; e-mail ipappalardo@ftc.gov.

SUPPLEMENTARY INFORMATION: Recent deceptive lending cases at the FTC and elsewhere suggests that consumers who do not understand the terms of their mortgages can be subject to deception, that deception can occur even when consumers receive the disclosures required by the Truth-in-Lending Act, 15 U.S.C. 1601 *et seq.* (TILA), and that deception about mortgage terms can result in substantial consumer injury.

Despite a long history of mortgage disclosure requirements and many new legislative and regulatory proposals regarding disclosures, little empirical evidence exists to document the effect of current disclosures on consumer understanding of mortgage terms, consumer mortgage shopping behavior, or consumer mortgage choice.

The FTC proposes a research program designed to learn more about how consumers search for mortgages, what consumers understand or misunderstand about mortgage agreements, and how changes in the disclosure process might improve consumer understanding, consumer mortgage shopping, and consumers' ability to avoid deception. The research also may assist the targeting of the FTC's enforcement actions by identifying areas most prone to consumer misunderstanding and lender deception and may help refine disclosure remedies imposed on deceptive lenders.

The FTC invites comments on: (1) Whether the proposed collections of information are necessary for the proper performance of the functions of the FTC, including whether the information will have practical utility; (2) the accuracy of the FTC's estimate of the burden of the proposed collections of information; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of collecting information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses. The FTC will submit the proposed information collection requirements to OMB for review, as required by the PRA (44 U.S.C. chapter 35, as amended).

If a comment contains nonpublic information, it must be filed in paper form, and the first page of the document

must be clearly labeled "confidential." Comments that do not contain any nonpublic information may instead be filed in electronic form (in ASCII format, WordPerfect, or Microsoft Word) as part of or as an attachment to e-mail messages directed to the following e-mail box: MortgageDS@ftc.gov. Such comments will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with section 4.9(b)(6)(ii) of the Commission's rules of practice, 16 CFR section 4.9(b)(6)(ii).

1. Description of the Collection of Information and Proposed Use

The FTC proposes to conduct this study in two phases: (1) A qualitative research phase; and (2) a quantitative research phase. The qualitative research phase will include focus groups and in-depth interviews. The quantitative research will include copy tests of current and alternative disclosures. Results from the first phase will be used to refine the design of the second phase.

The project will begin with 2 focus groups. Each group will include 8-10 consumers who completed a mortgage transaction within the previous year. One group will be comprised of subprime borrowers. The second group will be comprised of prime borrowers. The purpose of the focus groups is to examine how well consumers understand mortgage terms, how consumers shop for mortgages, if consumers recognize features of a mortgage offer that may significantly increase the cost of the loan, and whether consumers use and understand required disclosures. Subprime and prime borrowers will be examined separately to examine possible differences between these groups of consumers.

The focus group research will be followed by a series of approximately 36 individual, in-depth interviews with a different group of borrowers. Respondents will have completed a mortgage transaction within the previous two months and will be asked to bring their loan documents to the interview. The purpose of the interviews is to gain in-depth knowledge of the extent to which consumers use, search for, and understand mortgage information—including information about their own recent loans.

The last phase of the study will consist of copy test interviews of 800 consumers who entered into a mortgage transaction within the previous year. If possible, approximately half of the respondents will be subprime borrowers and half will be prime borrowers. The