

FEDERAL TRADE COMMISSION

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BUREAU OF

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I. Introduction

In this report, we describe the results of an in-depth interview study of recent auto buyers. The objective of the study was to examine the car-buying process through detailed consumer interviews about participants' experiences in purchasing and financing a vehicle through a dealer, as well as the participants' perceptions of different stages of the process. As part of the study, we also examined the participants' purchase and financing documents, which provided additional information and helped assess consumers' understanding of the details of the transaction. All participants purchased a new or used car within six months prior to the interview and obtained financing from the dealer. Some of the participants traded in used vehicles as part of the transaction.¹ The study is qualitative and exploratory, with a sample of 38 in-depth interviews and associated purchase and financing documents. Because this is a qualitative study of a small, non-representative sample of consumers, the data generated are not useful for forming quantitative or generalizable conclusions.

Consumer understanding of the automobile buying process is important because cars are expensive and often involve financing commitments that last for many years. However, because automobiles are purchased infrequently and the buying process can be complex and opaque, consumers may have a poor understanding of the process. There is also asymmetric information, in that the dealer knows much more about the process and its own costs than does the consumer.

There are several reasons for this complexity and opaqueness. First, deals are highly customized. Even if consumers know the model and make of car they want before going to the dealer, they might not know what additional product features (e.g., sun roof, leather seats) or contract add-ons (e.g., extended warranties, GAP insurance) will be offered or the details of the available financing until these options are presented to them on the spot.

Second, consumers and sellers typically negotiate the price of a car. As a result, advertised prices may not reflect the price a consumer actually pays. Consumers may vary in their understanding of their ability to negotiate different components of the deal, or in how to

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- x Most participants engaged in some search for the car and dealer. The amount and type of research that participants performed regarding the car and the dealer varied, but the interviews suggest that some participants did not collect the information that is most useful in negotiating the price or the financing.
- x When arranging financing with the dealer, many participants were most interested in the monthly payment, and some dealers focused discussion on this term as well.
- x Most participants did not attempt to or did not know that they could negotiate terms of the transaction other than the price of the car and the trade-in, and some did not negotiate at all.
- x The interviews identify sales of contract add-ons, such as GAP insurance or extended warranties, as a portion of the car buying process that consumers often did not understand.
- x While some participants understood their transactions, many participants did not know or understand all of the details of their transaction, as revealed in the paperwork review component of the interviews.

The results suggest the potential for improving consumer understanding through consumer education and better disclosures, especially for contract add-ons. However, any recommendations to change or add to the current disclosures would need to consider the effect on the duration of the transaction or the already large amount of paperwork to review.

We begin with a brief section that explains the contribution of this study in the existing literature. In section three, we describe the interview methodology. In the sections that follow, we present a set of qualitative observations to summarize the participant experiences reported in the interviews, with some discussion of how these relate to other research. We examine how the participants searched for their vehicles, dealers, and auto financing. We summarize the participants' descriptions of buying process at the dealerships, including car price negotiations, financing, contract add-ons, and document review and signing. In the final section, we conclude with implications for consumer education and the buying process.

II. Related Literature

To our knowledge, this is the first study to use individual in-person interviews to examine how consumers search for a vehicle and their experiences with the dealer in purchasing and financing the vehicle.

Several studies have utilized data from individual automobile transactions to examine aspects of the car buying process. Scott Morton et al. (2001) and Zettelmeyer et al. (2001) combine data from individual automobile transactions with data from an Internet car referral service to examine how obtaining online quotes affects transactions prices. Zettelmeyer et al. (2006) and Scott Morton et al. (2011) supplement data on individual automobile transactions

with matched survey data to investigate how consumer search habits and willingness to bargain affect transactions prices. Busse et al. . e etcwr2 (snr2 (sv10 (al)-20-Sco TtT 0 Tww i(s)- c-5 (5.9ba

- other points raised by the consumer about the documents.

FTC staff developed a draft “moderator’s guide” or questionnaire from these interview topics to assist the moderators in the interviews. FTC staff worked with the survey contractor to ensure that all of the questions were clear, understandable, minimized bias, and addressed all of the topic areas. The contractor tested the draft moderator’s guide in five pre-test interviews, after which FTC staff further refined the guide. The final moderator’s guide used for the interviews is included in Appendix B.

2. Participant recruitment

The survey contractor designed a recruitment screening questionnaire in coordination with FTC staff. The contractor’s recruiters used this screener to qualieoopa /P <</MCID 5 >>nterv

ensure participant privacy. The FTC only had access to a database that included a random ID number assigned by the contractor for each participant with his or her anonymized information and redacted purchase and finance documents.

IV. Consumer Experiences and Perspectives

In this section, we report our observations from the interviews, and discuss related findings from existing research where appropriate. We divide this analysis into the same topic area sections that were used in the interviews themselves.

1. Shopping for and choosing a car to purchase and choosing a dealer

The information consumers collect while searching for a car affects the price they ultimately pay. (Zettelmeyer et al. (2006), Scott Morton et al. (2011)). Dealers have a considerable information advantage over consumers because they know their own costs and the market conditions. Because other studies have examined some issues involved in the FTC study, we review some findings from the economics literature on consumers' vehicle search behavior. These findings reveal certain patterns and tendencies in consumers' approach to the search and negotiating process, as well as their effects on prices.

For a given car, consumers with a high willingness to search tend to pay lower prices (Scott Morton et al. (2011)). When consumers collected information that could potentially be used in negotiations, this resulted in lower prices. Knowing the dealer's invoice price – the price on the invoice from the manufacturer to the dealer – can enable consumers to negotiate a lower price from the dealer (Zettelmeyer et al. (2006)). Visiting several dealers that carry the car of interest and obtaining multiple price quotes allow consumers to get lower prices (Scott Morton et al. (2011)). Obtaining a quote from an online buying service is also associated with lower prices (Zettelmeyer et al. (2006)).⁸

These findings from the existing literature provide a background for participant responses in the FTC study. Many participants in the FTC study conducted some sort of Internet research to help select a dealer and particular car model. They searched a variety of internet resources, including dealer websites, Edmunds Kelley Blue Book, Reddit, Capital One Navigator, USAA car buying service, Consumer Report, and Carvana.com One participant obtained a price quote from Costco car buying service.

In addition to Internet research, some participants obtained recommendations from family and friends for dealers and/or cars. One participant chose a dealer where a friend worked. Some participants chose the dealer based on the dealer's reputation.

⁸ In the next section, we discuss how these factors are affected by a consumer's willingness to negotiate with the dealer. See Section IV. 2. below.

Some participants chose a dealer based on the dealer's location. Typically, these participants selected a dealer that was located near their homes. One participant drove down the street and stopped at dealers along the way to look at their cars.

Other participants selected a dealer based on other dealer characteristics. Some chose a dealer that had a particular car that the participant wanted (e.g., particular model or color, or a used car that was certified preowned). Some participants selected a dealer based on the dealer inventory or price. Others based their choice of dealer on financing terms. For example, one participant chose a dealer that did not require large down payment, and another chose a dealer that did not reject the consumer because of low credit score.

Some participants looked at several dealers and chose the one with the lowest price. Often the participants collected price information from dealer ads. A number of participants were attracted by promotional offers in ads that they did not qualify for, but did not realize that they did not qualify until they got to the dealer. Some did not learn that they did not qualify until they got to the financing stage of the transaction. In a few cases, the sales rep gave them one price, but the finance rep said they could not have that price.

Some participants conducted research to determine the value of their trade-in vehicle prior to going to the dealer. Several participants searched sources such as TrueCar, Edmunds and Kelley Blue Book on the Internet for the resale value of their trade-in vehicles. Several participants obtained an offer for their trade-in vehicles from one dealer. Some participants sold their cars prior to going to the dealer.

2. Agreeing to a price for the car and trade-in

on consumers' willingness and ability to engage in negotiations, or knowledge that they can engage in negotiations.

Given the importance of negotiation in car buying, the multi-stage process raises the question of the extent to which consumers are successful at negotiating in the various stages of the deal. Busse et al. (2010) provides evidence on this question by examining the correlations of dealer profit margins from different stages of the car buying process.¹¹ The study finds that the average correlation between purchase price and trade-in margins is negative (-0.85) but less than -1. This suggests that consumers have some success in negotiating with dealers, as dealers are willing to provide discounts on one part of the deal to obtain higher profit margins on another part. However, since the correlation is less than -1 in magnitude, these results suggest that consumers are not able to completely offset higher profit margins on the price with lower margins on the trade-in (or vice versa). Interestingly, they also find considerable

there are exceptions. Most participants did not negotiate the “out-the-door” price of the vehicle.¹⁴

While many of the participants bought their cars from dealers that negotiate the price of the car, some bought from dealers that do not negotiate price. Several participants bought used cars from a dealer that uses no-haggle pricing. One participant obtained a price through a store’s buying service. Another participant bought a car through an online used car dealer.¹⁵ Several participants bought cars from Buy-Here-Pay-Here (“BHPH”) dealers and, based on the interviews, it appeared that the BHPH dealers would not negotiate on price, although it is not clear whether this was the dealer’s policy, or whether the customer did not try to negotiate.¹⁶

The participants who bought from dealers that negotiate price differed in their approaches to negotiation. First, one group of participants did not bargain. Some simply did not like -2 (m)-.s1kh

Several participants suggested that the dealer engaged in unfair negotiation. One said that the dealer tried to get him or her to focus on the monthly payment and divert his or her attention from the price of the car, the cost of the add-ons and additional fees, and the length of the financing. However, this sales approach

of the participants who obtained offers in advance, the financing amount for which they were approved was less than the amount needed to finance the actual transaction. Because it was inconvenient to go back to the financial institution, the participants tended to accept the financing offered by the dealer. Some participants got lower rates from the dealer than they were offered by independent sources. Some participants with low credit scores could not get an offer from a bank or credit union. One participant was planning to pay with cash, but did not have enough to cover the entire transaction, and the dealer said that the minimum amount financed was \$10k. Some participants were attracted to an offer of 0% financing, but did not qualify for it due to too low a credit score.

When discussing the terms of the financing with the finance manager, most of the participants were primarily concerned with the amount of the monthly payment. Surprisingly, this was true for many participants in the above subprime group, as well as for the participants in the subprime group, who are more likely to be cash constrained. A number of participants accepted longer financing terms to lower the monthly payment. This is consistent with other research finding that borrowers are much more sensitive to the loan maturity than to interest rates because they can use loan maturity to target a specific monthly payment (Argyle et al. (2019), Attanasio et al. (2007)). These studies, like ours, found that this result held for almost all consumers, not only those with low credit scores. In reviewing their paperwork, some participants were surprised at the total cost of the transaction, including total financing costs, as they had focused more on other components of the deal, such as the monthly payment or sale price of the vehicle (before financing and add-ons).

Most participants thought they could not negotiate interest rates, consistent with findings of the CFPB's (2016) study. However, some refused to accept offers with rates that were higher than they wanted to pay, and the dealers responded with offers with lower rates. It is possible that the dealers continued contacting additional finance companies

decision to purchase a car is heavily dependent on the required down payment (Einav et al. (2012)). Car buyers with subprime credit scores are particularly sensitive to down payments. In a study of subprime auto buyers, Adams et al. (2009) found that increasing the required down payment by \$100 reduced car demand by nine percent, and that it would take a price increase of about \$3,000 to reduce demand by the same amount. From the perspective of a finance company, higher down payments reduce the volume of loans but increase loan quality, defined as the likelihood that a loan is repaid. Adams et al. (2009) found that for a given amount borrowed, borrowers who make smaller down payments are more likely to default.

Some FTC participants accepted an interest rate that they thought was high, and said that they planned to refinance later. The CFPB (2016) study also found this to be a frequent consumer reaction. Some of the FTC participants with low credit scores said they planned to refinance after making a few payments or otherwise trying to improve their credit scores. One participant said that he/she was in the process of refinancing. Some participants reported that the dealer told them they could later refinance their purchase. In a few of those cases, the dealer meant that the participant could trade in the vehicle for another purchase. In others, it was clear that the dealer was referring to outside refinancing. In some cases, the means of refinancing to which the dealer was referring was unclear. Revised June 6, 2016 10:00 AM EDT

them. Some participants mentioned that extended warranties cost less with higher deductibles. Several participants justified purchasing extended warranties because the “electronics” are expensive to repair. Some participants purchased service plans because of the convenience. Many participants who wanted these contracts purchased them without understanding the terms of purchase. At least some participants purchased extended warranties or service plans without knowing what services or repairs were covered, and a few of them were later surprised to find that they had to pay out of pocket for repairs or service that were not covered.

It would be useful for consumers to have information about the costs and benefits of extended warranties and service contracts before deciding whether to buy them. Some research suggests that the cost of extended warranties exceeds the savings in out-of-pocket repair expenses for many consumers (Consumer Reports (2014), Lee and Venkataraman (2016)).²² Even if extended warranties do not always pay off financially, this does not necessarily mean that extended warranties are a bad deal for everyone. For example, a consumer who is credit constrained may prefer purchasing an extended warranty and amortizing it with the automobile financing rather than risking the need to pay cash for future repairs. Some cars need more repairs than others, and extended warranties may be a better deal for these cars. Consumer Reports (2014) found that consumers who owned relatively unreliable brands were more satisfied with their extended warranties than were consumers of reliable brands. Consumers who have a high demand for extended warranties tend to be risk averse (Kelley and Conant (1991)). They may be able to meet the added cost of the warranty, but face difficulty in paying large, unanticipated repair costs. In any event, based on the interviews in the FTC study, it seems that most participants did not carefully evaluate whether extended warranties, service contracts or other contract add-ons were worth the money, and may not have had adequate information to do so.

5. Contract and post-purchase and review of documents

The last portion of the interviews was devoted to a brief discussion of the overall experience followed by review of participants’ transaction documents. Comparison of information on the documents with participants’ accounts of the buying process as recalled during the interview revealed additional insights into consumer understanding of the process and its limitations.

The deals took a long time to complete – often 5 hours or more. Some extended over several days. By the time the participants got to the paperwork, they tended to express being fatigued from a long process.

Participants were asked whether they discussed a vehicle tracking device with the dealer, and their paperwork was checked for any indication of one. Tracking devices can include a remote shut-off mechanism to prevent use of the car in the event of missed payments. Most of the participants were not aware of any vehicle tracking device or a remote shut-off mechanism on their vehicle, nor did their paperwork suggest the presence of one. When asked about this,

²² These studies would be more useful if they had controlled for whether the factory warranty was still in effect at the time of the study and how much time was remaining on the extended warranty. Controlling for these factors is necessary for a true cost-benefit analysis.

participants tended to think the interviewer was referring to GPS or Lojack. One participant said that the dealer installed a tracking device on the car as a sort of “baby-sitter.”

The participant

Most consumers approached the process focused on establishing a monthly payment that fit the household's budget, but many appear to have spent less time considering how the overall cost of the financing depends on other factors such as the interest rate, down payment, maturity, and amount financed. Consumers often seemed less focused on the fact that extending the maturity to reduce the monthly payment increase

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all of the financing terms. There would appear to be potential for improving consumer understanding through better disclosures, especially for contract add-ons. However, additional disclosures could further increase the duration of the transaction or the already large amount of paperwork to review.

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Appendix A: Interview and Document Walk-Through Topics

Interview about the automobile buying and financing process

1. Shopping for and choosing an automobile to purchase, including:
 - a. Most recent purchase; process of shopping and choosing an automobile, including any advertisements; views on the experience of shopping for and choosing an automobile
2. Agreeing to a purchase price, including:
 - a. Process of obtaining a final price for the automobile; views on the experience of obtaining a final price for the automobile
3. Trading-in a vehicle, including:
 - a. Whether the vehicle was traded-in at purchase; how trade-in(g)10 (e)4(i)-2504(e) (p)1(q)15(3)

Appendix B: Moderator's Guide for Auto Buyer Interviews

Shopping For and Choosing a Car to Purchase

What is the most recent car that you purchased? When did that occur?

What did you like, if anything, about your experience shopping for and choosing a car?

Obtaining Financing

How did you pay for your car?

What did you like, if anything, about your financing and experience getting it?

What did you not like, if anything, about your financing and experience getting it?

How did you decide to finance through the dealer? Did you consider getting financing with another company (like a bank) before you went to the dealership? Were you aware you could do that?

What was the process for obtaining financing at the dealership? Where did you discuss financing (F&I office?).

What terms did you discuss when talking to the dealer representative about financing?

Did you negotiate any of the financing terms?

[If yes] Which ones?

[If no] Were you aware that you could negotiate these terms?

[If respondent mentions the possibility of refinancing the vehicle, or renegotiating the APR or monthly payments after the purchase:]

Could you tell us what happened?

- [If not already answered]

- o Who told you this information?
- o Where would you refinance the car or renegotiate the contract terms?
- o Would you be keeping the same vehicle or trading it in for a different one?

Additional Products and Services

Did the dealer offer you any additional products or services to purchase? What kinds?

[If respondents don't remember or start talking about unwanted options or packages included on the car itself, such as a sunroof, then say, what about something like an extended service contract, rustproofing, or GAP coverage?]

What did you like, if anything, about the dealer offering these additional products or services?

What did you not like, if anything, about the dealer offering these additional products or services

When did this occur in the financing process?

What information, if any, did the dealer give you about the items offered?

[If no substantial response is received, ask]

- o What about the price of each item offered?
- o What about the coverage of each item offered?

Did you purchase any of the additional products?

[Note: Follow up with questions]

- o What was the process for deciding whether to purchase add-ons?
- o [If consumer purchased additional products or services that they did not want] How did you end up purchasing them?
- o [If add-ons were included without consumer's knowledge and consumer realizes it later] When did you realize that you had purchased them?

f Did you do anything about this after you realized it?

Contract and Post-Purchase

Did you have an opportunity to review your paperwork before signing? Did you review it?

What did you like, if anything, about the paperwork or signing process?

What did you not like, if anything, about the paperwork or signing process?

Have you had any contact with the dealer since purchasing the car?

Did the dealer contact you or did you contact the dealer?

- o Why did you contact the dealer?
- o Why did the dealer contact you? How did the dealer contact you (phone, email, mail)? What did the dealer say?

[If problem with financing]

What happened as a result of this problem?

[If credit terms changed] What was your annual percentage rate (or other terms) before and after the change? Why did you agree to the new financing?

Do you believe that you needed to sign a new deal? Why or why not? What did the dealer tell you about your rights under the original deal?

Did you try to cancel the original deal?

- o [If yes] Did the dealer offer to return your trade-in or down payment? Did you end up paying any fees?

Did you return the car at any point? What did the dealer tell you about whether you needed to return the car?

Was placement of a tracking device required or discussed? If discussed was it before or after you signed the contract?

Can you describe what was said?

Was the device installed on your car? Did you choose to have it installed?

Was there a cost to you for having the device?

Was a tracking device ever activated to shut off your car?

[If yes]

purchased the items, how did you get to the amount paid? Has your understanding changed since you purchased the items?

- o [If no substantive response is received, ask] Did the dealer initially suggest it? Did you negotiate?
- o [For each form] What, if anything, was easy to understand about this document? What, if anything was difficult to understand about this document? Please elaborate. [Probe]

[Check to see if there is a credit application. Point to key information and ask] Did you or the dealer fill it in

- o [If dealer filled it in] Is it correct? [Key aspects include income, employment other credit, and the signature]
- o [For each form] What, if anything, was easy to understand about this document? What, if anything was difficult to understand about this document? Please elaborate. [Probe]

[Check to see if there is a tracking device notice or agreement, if yes, ask] What is this? Did you have a different understanding when you bought the car? Did you review this at the purchase?

- o [If no substantive response is received, ask] Did the dealer initially suggest it? Did you negotiate?
 - f [If no, ask] Did you watch a video or receive other written information about a tracking device at the dealership?
 - i [If yes] What was it? Did you understand the video or information provided?
- o [For each form] What, if anything, was easy to understand about this document? What, if anything was difficult to understand about this document? Please elaborate. [Probe]

Is this the only contract or documents that the dealer gave you for this deal? Were there others? Do you have them? If not, what happened? Did you bring them?

Discussion of Other Documents or Other Points/False Close

Are there any other credit-related documents? [If yes, go through them with the probes in “Overall Understanding” section above. We are not looking for: car registration forms, requests for license plate, odometer statements, powers of attorney, or the FTC Used Car Rule disclosure with boxes about the warranty]

Is there anything else about the documents that we haven’t discussed that you would like to talk about (including whether you understood or didn’t understand something)?

Overall Experience

After our discussion and reviewing all of the documents and materials, do you have any final views on your overall experience of purchasing and financing your car? Please elaborate.

Conclusion/Final Comments

Appendix C: Recruitment Screening Questionnaire

Design: p-6 rsgi-6 rv(g)11 (n-1 w)46 se3102 3 Q-6 A Q-6 Sgi26 bg-6 ”(-6 /)46 20 Tc -132 ()Tj -.33 0 00-0

1. First, have you purchased any of the following for personal, family or household use in the past 6 months: (READ LIST)

CIRCLE ONE PER ROW

	<u>Yes</u>	<u>No</u>	<u>Don't Know</u>
A home	1	2	3
A car (including minivans, SUVs, and light trucks; please exclude motorcycles and motor scooters)	1	2	3
A condominium	1	2	3
A boat	1	2	3

MUST SAY “YES”, CODE 1, FOR “CAR” TO CONTINUE, OTHERWISE THANK & TERMINATE.

2. Please think about the car you purchased in the past 6 months. Did you purchase it from a dealer?

CIRCLE ONE

Yes

1

o (CONTINUE)

No

2

o (THANK & TERMINATE) 62K /M

3. Was the dealer you purchased the car from: (READ LIST)

CIRCLE ONE

CIRCLE ONE

Dealership financing, where you obtain financing through the dealership

1

(CONTINUE)

Direct lending, where you obtain a loan directly from a bank, finance company or credit union outside of the dealership

2

(THANK & TERMINATE)

(DO NOT READ) Don't know

3

7. For this study we will be asking you to provide us with your credit score and a copy of your retail installment contract and other documents that you may have from the purchase of your car. We will work with you to remove all personally identifiable information from the documents to ensure your privacy. Are you willing to provide us

with Are o provide 2 (E)-5 ()JTJ 0 Tc 0 Tw ()Tj EMC ET 383.4 661.8 76.32 0.481 L2Bf -1 (c)-4 5

More than a year ago

2

o (CONTINUE)

Never

3

Don't know

4

o (NOTIFY YOUR SUPERVISOR)

10.

ANY SCREENER WITHOUT A VERBATIM ANSWER DOES NOT QUALIFY.

IF RESPONDENT IS UNABLE OR UNWILLING TO GIVE AN ANSWER IN ENGLISH, THANK & TERMINATE.

IF RESPONDENT HAS HEAVY ACCENT OR CANNOT MAKE HIM OR HERSELF CLEARLY UNDERSTOOD IN ENGLISH, THANK & TERMINATE.

IF RESPONDENT ONLY GIVES ONE OR TWO WORD ANSWERS AND IS UNWILLING OR UNABLE TO EXPRESS THEMSELVES FURTHER THANK & TERMINATE.

13.

Less than \$25,000	1
\$25,000 to \$49,999	2
\$50,000 to \$74,999	3
\$75,000 to \$99,999	4
\$100,000 to \$149,999	5
\$150,000 to \$199,999	6
\$200,000 to \$299,999	7
\$300,000 or more	8
Prefer not to answer	9

(DO NOT
READ)

15. RECORD, DO NOT ASK: GENDER

	<u>CIRCLE ONE</u>	
Female	1	o (RECRUIT A MIX)
Male	2	

INVITATION

We are conducting one-on-one interviews in our office with people like you to talk about auto financing. This is not a sales meeting of any kind. As we mentioned previously, prior to confirming you for your interview we will need you to provide us with your recent credit score. Do you know your credit score?

CIRCLE ONE

Yes (Record: _____)	1	o (300-600 QUALIFIES AS SUBPRIME, 60-850 QUALIFIES AS ABOVE SUBPRIME)
No	2	

Do you have documentation of your credit score that is dated within the last 6 months?

CIRCLE ONE

Yes	1	o (CONTINUE TO Q.A)
No	2	o (CONTINUE TO Q.B)

A

B. (ONLY ASK IF RESPONDENT DOES NOT HAVE DOCUMENTATION OF CREDIT SCORE)

Would you be willing to obtain your credit score for the interview and provide us with documentation within 24-48 hours? You can obtain your credit score, or an estimate of your credit score, at no cost through various websites, your bank or your credit card company. We do not endorse any particular site for obtaining your credit score or estimate of your credit score. However, you should be aware that if a website asks for your credit card or debit card number, it is likely they will use it to charge you.

CIRCLE ONE

Yes

1

o (CONTINUE)

No

2

o (THANK AND
TERMINATE)

C. (ASK ALL) During this interview we will be reviewing a copy of your vehicle financing documents (sometimes called your retail installment contract or credit agreement, which usually has the Annual Percentage Rate (APR) on it), and the other documents you may have from the purchase of your car. We will work with you to remove all personally identifiable information from the documents before we use them in the interview to ensure your privacy. At the end of the interview, we will want to retain a copy of the documents without your personal information for further review.

Do you have your retail installment contract or credit agreement and any other documents from your car purchase, and are you willing to bring them to the interview?

CIRCLE ONE

NOTE FOR RECRUITERS: Tell respondents to send us documentation of their credit score within 24-48 hours of the screening call. They can either fax it to us (INSERT NUMBER) or upload it to a secure web portal (INSERT LINK).

INTERVIEWER: RECORD APPOINTMENT DATE AND TIME ON FRONT OF SCREENER

NOTE TO RECRUITER:

- x Valid proof of identification for all participants is required.
- x Do not schedule anyone who is at all reluctant about the time, is reluctant to bring their credit score and financing paperwork, is hesitant about participating in discussion, talks too low or speaks unclearly. That person will definitely not be considered a valid respondent and will not be paid for.
- x Remind respondent to bring glasses if needed because we will be going over documentation.

Appendix D: Participant Demographic Information and Dealer Type

A. Pre-Test Interviews	Above Sub-Prime	Sub-Prime	Total
Total Recruited	9	2	11
# of Cancellations	3	0	3
# of no-shows	1	0	1
# of paid and sent due to over-recruit	2	0	2
Total Completed Interviews	3	2	5

B. Interviews	Above Sub-Prime	Sub-Prime	Total
Total Recruited	38	23	61
# of Cancellations	12	1	13
# of no-shows	2	6	8
# who disqualified when rescreened at facility	2	0	2
Total Completed Interviews	22	16	38

